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Two U.S. envoys comment on sales problems in smaller nations

U.S. export share lagging with 8 of top 10 trading partners

Rapid pace of Dutch modernization opens U.S. opportunities

International Trade Winds Newsletter

Company News

PUBLISHING—A new international publishers' service company called Joshua B. Powers, Inc., has been formed through a merger of the Powers firm, which handles advertising services for 150 periodicals in 30 countries, with three other enterprises: ATEC Corp., with headquarters in Philadelphia, which designs and installs printing plants, including new photo composition, electronic and computer systems; Hablemos, a Spanish-language Sunday newspaper supplement which is currently distributed through 27 papers in 11 Latin American countries; Editors Press Service, which syndicates U.S. columnists and other newspaper features overseas. Also associated with the new company is the Evening Post Publishing Co., Charleston, S.C., which has three U.S. dailies and an English language daily in Buenos Aires. In addition to these services, the Powers organization is also engaged in the sale of newsprint.

MATERIALS HANDLING—Hewitt-Robins Bulk Handling Equipment, Buffalo, N.Y., Division of Litton Industries, Stamford, Conn., has begun delivery of industrial expansion joints —175 units valued at more than $45,000—to Potasas de Navarra, a fertilizer plant in northern Spain now under construction which will provide chemical fertilizers to the northern provinces. A total of 37 different sized joints made to metric specifications are included in the order.

GASES—El Paso Natural Gas Co., El Paso, Tex., and Sonatrach of Algeria have signed agreements for a major liquid natural gas project involving eventual capital expenditures of almost $1 billion. The project calls for Sonatrach to ship one billion cubic feet of liquified natural gas daily to the U.S. East Coast over a 25-year period, subject to approval of both countries' governments, beginning in the fall of 1973. El Paso Natural Gas will supply regasification facilities on the East Coast and all but two of the nine or 11 special ships which will be built to transport the liquified gas. Sonatrach will invest $600 million in pipelines, a liquification plant and related facilities in Algeria. The gas will be sold to El Paso at an Algerian port, shipped to the U.S. and distributed throughout the east. Negotiations for the sale of the gas in the U.S. are now under way.

When Ingersoll-Rand puts its various product lines on display the range goes from a self-propelled Drillmaster drilling machine with five hydrabooms through compressors down to hose clamps, couplers, filters, lubricants and hand tools. All fitted into a recent between-shows promotion at the Stockholm U.S. Trade Center, using the center's entire exhibit hall. The 400 trade visitors who came took away $240,000 of Ingersoll-Rand products. Now the company's Swedish rep is planning a return show in September, 1970.

A different kind of U.S. product went on display a week later at the Stockholm center, this time in the lounge, where Avant Inc., Concord, Mass., demonstrated an Instant Photo ID System to 150 visitors. The interest shown by major Swedish manufacturers, banks, insurance companies and Government departments has led to sales projections by Avant's Swedish agent of $50,000 over the next year.

U.S. Ambassador to Japan Armin H. Meyer and the Japanese Minister of Transportation opened the aisles at the Tokyo U.S. Trade Center show of Automotive Diagnostic & Service Equipment, and 1,536 trade visitors followed them. Of the six exhibiting firms seeking agents or distributors, one had signed an agreement by show's end on Oct. 4 and 28 other candidates were still being interviewed. Projected 12-month sales at this exhibition totaled $3.7 million.

Word once more from U.S. Commercial Officers in Japan is that EXPO 70 business visitors (and other travelers) must act quickly to get hotel accommodations in the Osaka-Kobe-Kyoto area. March-May reservations are now almost impossible to obtain, and May-September ones are fast disappearing. Deposits are required for hotel space, and strict rules are being set forth on forfeitures due to cancellations.

"Commercial Attaches are the eyes and ears of American business around the world. Their job is to provide you with intelligence and leads on sales opportunities. We at Commerce are working closely with them to improve the services they perform. You could help in that regard by telling us how these commercial representatives can be of better service. If they are deficient in some way or can do a better job, be sure to let us know."—Secretary of Commerce Maurice H. Stans to the Business Council, Oct. 18.

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in this issue

This issue leads with articles by Assistant Secretary of State for African Affairs David D. Newsom and U.S. Ambassador to Nicaragua Kennedy M. Crockett answering the question, "Can U.S. exporters do better in the smaller markets throughout the world?" A quarterly feature, the World Market Report, presents changes in the U.S. share of 48 major import markets, pages 5-9. The latest semiannual Economic Trends Report from the Netherlands begins on page 21.

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Two envoys speak out on winning smaller markets

Experiences in N. Africa, Central America provide answers to Commerce Secretary's query

Can U.S. exporters do better in the smaller markets throughout the world? Two American diplomats, whose reply is a resounding "Yes," tell why and how in these articles for the readers of INTERNATIONAL COMMERCE.

Assistant Secretary of State for African Affairs David D. Newsom was U.S. Ambassador to Libya from 1965 to 1969. The native of California is a career Foreign Service Officer, having also served in Karachi, Oslo, Baghdad and London since joining in 1947. His domestic assignments have included a year at the National War College and duty as the State Department's Officer in Charge of Arabian Peninsula Affairs and Director of the Office of Northern African Affairs.

NEWSOM

Newsom is a graduate of the University of California at Berkeley and holds an M.S. from Columbia. After traveling the world as a Pulitzer Traveling Scholar, he entered the Navy at the outset of World War II. After the war he published a weekly newspaper in California.

Kennedy M. Crockett has been U.S. Ambassador to Nicaragua since 1967. Also a career Foreign Service Officer, the Latin American specialist has served in Nuevo Laredo, Tegucigalpa, Puerto Cortes, La Ceiba, Mexico City, Tampico, Guatemala City, Tijuana and San Jose, Costa Rica since joining the Department in 1943. Home assignments have included Officer in Charge of Mexican Affairs, and Director of the Office of Caribbean Affairs.

CROCKETT

Crockett is a native of Texas and a graduate of the University of Texas, where he also did graduate work in Latin American Affairs.

Although these two articles were written independently, both were inspired by the Bureau of International Commerce's 1969-'73 overall U.S. trade forecast, sent to U.S. Ambassadors by Secretary of Commerce Maurice H. Stans. The Secretary asked the envoys for suggestions on improving U.S. trade performance in the markets they knew.

Current U.S. methods seen detrimental to North African sales

Firms told of need for more solid, continuing personal contacts

By DAVID D. NEWSOM

Do we really want to export?

After four years in an African country which seemed to have special opportunities for U.S. exports, I wonder.

In Africa, our principal European competitors have, without doubt, certain built-in advantages. They are nearer geographically. Their wage rates are lower. They have a more desperate urge to export than even our present balance-of-payments problems give to us. Their representatives frequently have a greater language facility. Most of them use the metric system. They are more accustomed to granting easy credit terms and to doing business in a flexible manner.

The official help which we can render our exporters is less than that rendered to our European competitors. We have, for example, one full-time commercial officer for all of the country in which I served in comparison to the five for our principal competitor. Personnel ceilings prevent an appreciable increase in our official effort. We cannot spend official funds, even on a reimbursable basis, to buy specifications and tender documents. The mounting of even a modest exhibit in an important local trade fair must compete for staff and money with our exhibits in the large fairs of Europe.

Nevertheless, Embassy advice and help is important in such countries. Even with our limited staffs we could do more if business representatives would contact us. Often we do not know of the interests of U.S. firms in local deals until after they have lost the sale.

Perhaps the market is not there in U.S. business terms. There are more people in the Seattle metropolitan area than in the country I refer to. But when one is on the spot, noting large purchases of kinds of equipment we manufacture and aware of our own need to export, it is difficult not to conclude that we should be doing more.

Neither would we be justified in raising the cry if this one small African nation were the only potential market. We cannot help but feel that some of the shortcomings in our export effort must apply equally to other less-developed countries where similar attitudes and conditions exist.

The solution does not lie only or principally in further effort by the U.S. Government. U.S. business could do more to help itself. The reputation U.S. business has gained in this African nation over several years for failing to answer correspondence, for frustrating referrals to inefficient European associates, poor service on maintenance and parts, failure to provide catalogs and data in metric terms, and a "take it or leave it" attitude on terms is depressing. It is particularly so when one discovers that many of the

criticisms are fully justified.

The fundamental problem is in the failure of many U.S. firms to understand how business is done in a country such as the one in which I was stationed. The three-day visit, with total dependence on an agent and correspondence for follow-up, will not work. This is a personalized society and personal attention is essential. Even more so is an accurate knowledge of the personal and political relations of those involved in major commercial decisions. Major deals require persistence and a substantial investment in time on the spot. Few U.S. firms are prepared to make such an investment.

I have recently seen U.S. firms in competition in two different purchases of major equipment by the local African government. Each one is in excess of $50 million. In one, the successful U.S. firm had been sending its American representative into this country for extended stays over a five-year period; only after five years were there results, but they were major. In the case of the other, still pending when I left Africa, the U.S. firm was having major difficulties. At one critical point, the Embassy could locate neither the company's agent nor its representative; both were out of the country.

While local agents are essential, the Africans I knew like to deal directly with an American from the firm, particularly on major deals. Only through persistent effort by someone from the firm can the firm's interests be fully protected. Local agents have many accounts, sometimes conflicting. A local agent momentarily asleep when major projects are devised can cost heavily in lost opportunities.

Persistent attention to the country is required for another reason as well. By the time bids are called for on major projects, the decision may virtually be made as to who will get the contract. This requires sufficiently close attention to the local scene to detect projects in formation before bids are ever called for and, preferably, during the stage when specifications are being written.

U.S. exporters are handicapped by distance and practice in competing with some of the techniques of personal attention provided by European firms. Such actions as trips to the home office for demonstrations, with fully paid hotel bills and entertainment, are an important part of the personalized attention provided and expected in this market.

If we really mean to expand our exports, the developing countries possess a great potential market. But our present sales methods and efforts, at least as I have seen, will not capture our potential share of the market.

Each sales neglect aids U.S. competitors in Central America

Resident sales representatives suggested for U.S. trade groups

By KENNEDY M. CROCKETT

It appears to me that the American exporter must be educated to have greater respect for small markets. Currently, we find evidence at every turn of scant attention paid to small markets. Though the particular order may be small, we can usefully speculate on how many other orders may be lost to competitors, because the one small order was not properly handled.

Time and again, we learn that a definite order has been placed by a Nicaraguan importer in good standing, who thereafter either does not receive a response from the American exporter, or a much delayed response.

The importer on occasion wants the particular product badly enough that he will come to the Embassy seeking our assistance in soliciting a response to the order. Oftentimes, orders for replacement parts are virtually ignored by the American exporter. No one need stress the importance of the timely availability of spare parts to retain a market.

Frequently, long-time representatives of U.S. firms are treated rather shabbily by the large U.S. concerns, apparently so large as to be relatively unconcerned whether their faithful local representatives can stay in business or not.

Shipments of damaged goods, or the wrong goods, or too many goods are not redressed expeditiously. Instead, the local representative may be forced to hold the unsaleable merchandise for long periods of time, while his cash flow may demand that he move everything he can off the floor and out of the warehouse.

Occasionally, we find that little comprehension is shown a local representative who fails to meet drafts in time during a contraction or depression in the local economy—despite the local representative's good credit standing over a long period of time.

All these points add up to a lack of interest on the part of the American exporter. Perhaps the problem could be ameliorated by a campaign to the effect that "every little bit helps"—or hurts. We see evidence here that no market is too small for our competitors, particularly the Japanese, and it does not appear to us that the United States can afford to take a different view.

In addition, I believe that American exporting firms should spend more time, effort and money, even in small markets, in training local representatives, sales agents, and repairmen. We know that expanded training programs would have to be costed out by each individual firm, but the increased training should pay off in the long run in rising sales. Sales agents should know their products much more thoroughly than they do at present, and should be trained to spot individual customer needs.

Competent repairmen are in woefully short supply. It seems to me that dependable service can go a long way toward compensating for the price difference that often applies to U.S. products.

Idea from Florida

One idea of a recent trade mission intrigued us at the Embassy. The head of the Florida Development Commission, leading a trade mission on a quick look-see, suggested the plausibility of the State maintaining a permanent trade representative in Central America. The representative would travel throughout the area spotting possible trade opportunities for Florida products.

Perhaps this idea would serve other States with strong trade interests in this area as well.

Better yet, perhaps trade associations, with more intimate knowledge of the product lines in the trade, would find it worth while to maintain resident representatives in designated market areas. These representatives could become familiar with the firms requiring their product lines, could undertake trade surveys, and could regularly report trade opportunities for publication in the trade association's bulletin or newsletter.

If the product of a company in the association fits a customer's need exactly, the representative could put him in direct contact. The point is that such representatives would be constantly scouting the market, going out to the businessman, and would not be as desk-bound as a Commercial Attache in an American Embassy must be in carrying out his day-by-day duties.

In addition, such trade association representatives would be far more knowledgeable in their particular product lines, than a Commercial Attaché could hope to be, though we do not wish in any way to discount the importance of this particular member of an Embassy staff.

ATTENDING THE "E" AWARD CEREMONY at the Governor's Banquet for the 13th Annual Industrial Development Clinic in Rochester, Minn., (left to right), J. Kimball Whitney, commissioner, Minnesota Department of Economic Development; Gordon O. Garis, president, RayGo, Inc.; Governor Harold LeVander of Minnesota; and Glenn A. Matson, director, Commerce Minneapolis Field Office. Pictured right, a RayGo, Inc. Rascal "600" compacting rock fill in Italy.

Minnesota construction equipment manufacturer wins 'E' citation

Firm combines direct marketing with foreign manufacturing agreements and provides training programs to increase sales

RayGo, Inc., a Minneapolis manufacturer of heavy construction equipment, has received the President's "E" award for its contribution to increased sales of U.S. products overseas.

The company gained its foothold in foreign markets through a combination of direct marketing of U.S. manufactured products and the establishment of foreign manufacturing marketing agreements. RayGo provides its foreign licensees with a major portion of their component parts. It also provides a training program in sales, production control and service.

The dollar volume of export sales by RayGo has grown from $26,000, or 2.1% of its total sales in 1966, to $1,519,000 or 28.4% of total sales in 1968. During the first three months of 1969, export sales were still on the climb at $757,000 for 34.7% of total sales.

According to RayGo officials, the value of the export market was realized early because its equipment could be useful in upgrading the economies of the developing countries as well as in countries already industrialized. For this reason, the officials said, export markets have been developed simultaneously with the domestic market following trips to Canada, Europe, Australia and South America to promote RayGo and investigate proposed distributors and establish a sound foundation for future exports.

Raygo was incorporated in September 1964 and eight months later marketed its first product, a large vibrator roller for earth compaction. The product line has since broadened to include seven rollers of various types and a large earth leveling machine.

In February 1969, RayGo equipment was displayed at a road show in Chicago, CONEXPO '69, that drew over 12,000 visitors from outside the U.S. and has resulted in numerous inquiries by foreign visitors impressed with RayGo equipment, company officials indicated.

RayGo equipment was also displayed March 1969 in Munich, Germany, at the BAUMA international construction machinery fair. The manufacturer feels this show gave it a good exposure.

Because of high import taxes and freight costs, as well as other restrictions, RayGo said it had established various foreign production facilities for its products. This has been done with a French licensee who covers Europe, England and Africa, and an Australian licensee for Australia, New Zealand, New Guinea, Indonesia and Malaysia. The company noted that efforts are currently under way to establish similar arrangements in South America.

RayGo dealer outlets have also continued to expand from their beginnings. In 1966 the company had one distributor covering a single province in Canada. Today there are six RayGo distributors in Canada with 14 branches.

A major market in France for RayGo equipment is the French Government. In this market RayGo was once challenged by a German manufacturer of vibrator rollers to a competitive demonstration before French officials to answer claims that their equipment did not meet French standards. However, RayGo said the competitive tests against the German firm's equipment showed RayGo's equipment exceeding French Government specifications. RayGo furnished a nuclear testing unit to measure the results of the competition.

RayGo officials said to maintain good dealer relations it conducts profit seminars to acquaint dealers with applications of RayGo equipment, and educational seminars to acquaint contractors with such equipment application. Also, technically-oriented personnel assist sales representatives and distributors on special applications of RayGo equipment.

The company indicated it constantly studies the market for new uses of present equipment and conducts research for long range planning to provide new products and methods to the industry. One research program it now has under way is to develop equipment and methods for speeding up asphalt laydown and asphalt production. RayGo said its studies have shown a bottleneck in this area.

Advertising has also contributed greatly to increased sales, RayGo said. In 1967 it established a national cooperative advertising program and in 1968 a Canadian program was established.

WORLD MARKET REPORT, PAGES 5-9

U.S. share performance in prime markets lagging

Among top ten buyers, American exporters improve standing only in Britain and Italy

Three-quarters of the 48 major U.S. customers increased their purchases in this country during the latest 12 months for which statistics are available. An even larger number of these countries, however, expanded their purchases from all sources, as shown in the accompanying table.

The United States enhanced or retained its share of imports in two-fifths of the principal markets. This performance would have been better if the winter-long dockstrike at Atlantic and Gulf ports had not resulted in some permanent sales losses to U.S. exporters, especially of agricultural commodities.

Nine of our top ten trading partners—India being the sole exception—recorded higher inflows of U.S. goods than in the previous 12 months. Italy, France, and Canada were our fastest-growing markets. Generally, however, the rise in imports from the United States by this group lagged behind the growth from other suppliers. Thus, our relative standing deteriorated in eight prime outlets.

WORLD TRADE CLUB OF SEATTLE began its new meeting year with a Port of Seattle waterfront tour and a guest was Deputy Assistant Secretary of Commerce for Business Development Robert McLellan (second left). Others shown, from left, are Arthur P. Hill, Seattle Grain Exchange vice-president; Manual S. Rustia, club president, and Jack Keith Proctor, Seattle Grain Exchange president. While in Seattle, McLellan participated in a meeting of the National Export Expansion Council's Committee on Commercial Aircraft chaired by Robert J. Murphy of Boeing, and addressed the Aerospace Industries Association.

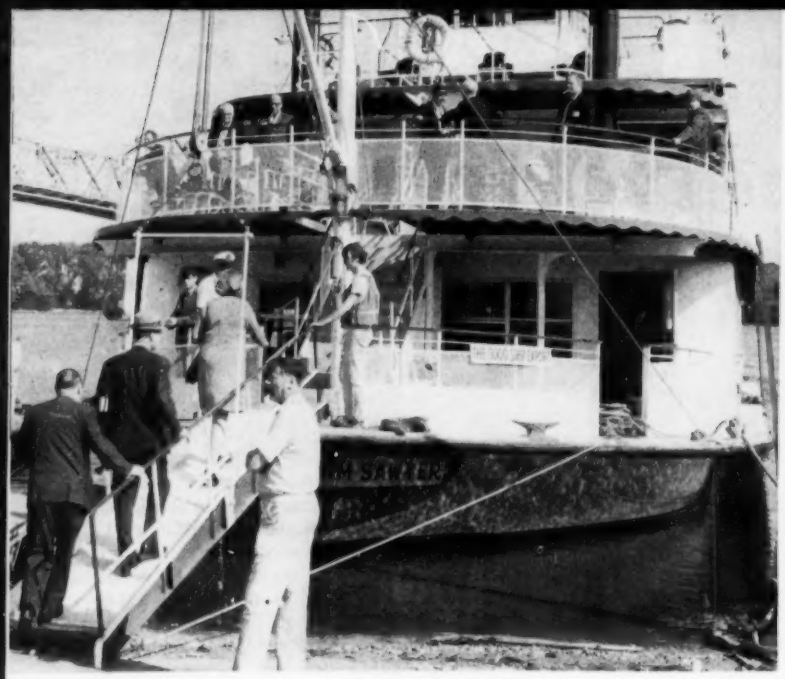
Virtually all of the 48 principal U.S. trading partners substantially expanded their total foreign purchases in the latest 12 months. Each of the two dozen developed countries increased imports, most of them accelerating the inflow of goods from abroad or reversing declines noted in the preceding report of this series.

France was in the forefront of the expansion with a 29% gain in spending on foreign merchandise during the year ending July 1969. This spurt was associated with strong advances in industrial production, consumer expenditures, and capital outlays.

Stimulated by continued buoyancy in domestic demand, increased industrial investment, and, to some extent, the 4% import subsidy in effect since November 1968, German foreign purchases expanded by 20%. Belgium-Luxembourg recorded a similar rate of growth in its imports as higher levels of economic activity, partly induced by booming export sales, boosted demand for products of other nations. Canada's imports climbed by nearly one-fifth as treaty-linked shipments of U.S. automotive products continued to soar. Increased consumer spending and a recovery of business fixed investment also contributed to the larger inflow.

On the other hand, Japan's purchases from abroad continued to advance by only one-tenth, a comparatively low rate for that country. This levelling off in the import increase is traceable to a temporary slackening in industrial production in early 1969 and softening of demand for investment goods.

With gains hovering about one-seventh, Italy, the Netherlands, Sweden, and Switzerland were also prominent among industrialized countries reporting strong import growth attributable to higher levels of economic activity. Spanish imports picked up by 15%, recovering further from the slowdown triggered by the austerity program following the November 1967 devaluation. Greece chalked up a



DOWN THE MISSISSIPPI ON THE GOOD SHIP EXPORT went a traveling export expansion conference, with stops at Davenport, Muscatine, Burlington and Fort Madison, Iowa. A principal speaker was E. E. Schnellbacher, Director of Commerce Department's Bureau of International Commerce, who described the overseas sales accomplishments of some of Iowa's 450 exporting firms. The traveling conference was sponsored by the Iowa Regional Export Expansion Council, the Department of Commerce Des Moines Field Office, the Iowa Development Commission, and local Chambers of Commerce and port authorities.

remarkable 31% import rise, primarily from increased industrial investment and purchases to supplement a poor 1968 harvest.

With few exceptions, developing countries purchased more foreign goods than in the previous 12 months. Korea, Taiwan, and Israel reported a one-third increase in imports largely under the stimulus of vigorous economic expansion. Similar developments led Argentina, Brazil, and Nigeria to boost their overseas purchases by about one-fourth.

India and Peru, in contrast, curtailed their imports sharply. The decline in the former country stemmed mainly from lower arrivals of grains because of a better domestic crop; in the latter, from a shortage of foreign credits and low levels of economic activity.

U.S. position declines

Despite a widespread increase in purchases of U.S. products, this country's relative standing slipped in most markets. Among our ten leading markets, the U.S. share weakened in all except Italy and the United Kingdom. Contributing to the deterioration was the inability of our exporters to make up fully for the disruptive effects of the work stoppage at ports earlier this year.

Greater purchases of aircraft, corn, and copper helped boost Italy's imports from this country by one-fifth. Responsible in large part for a comparable expansion in French imports of U.S. goods were nonferrous metals, chemicals, machinery, and professional and scientific instruments. This substantial upsurge notwithstanding, our share of the French market declined in the face of the sharper increase in purchases from other sources.

The inflow of U.S. products into Canada expanded by 17%, almost as rapidly as total imports. The rise in arrivals of automotive equipment under the duty-free agreement with this country dwarfed, by comparison, sizable increases in purchases of steel-mill products, computers, electric power machinery, and aircraft.

Arrivals of American goods into the United Kingdom climbed by 14% in the year ending August 1969, more than twice as fast as from all sources. Metal scrap, computers, and aircraft accounted for much of the gain from the United States.

The spectacular 71% increase in Greek imports from American suppliers boosted the U.S. share of that market by a substantial margin. Aircraft, nonelectric machinery, steel-mill products, and grains accounted for most of the rise. Higher purchases of American planes also helped improve our standing in Finland, Norway, and Ireland. Also reporting greater arrivals of U.S. goods were New Zealand, the Netherlands, Sweden, and Belgium. Only in New Zealand, however, did United States exporters outgain their competitors.

The U.S. share continued to slip in Japan. Purchases from this country advanced only moderately, as increased arrivals of aircraft, electric machinery, computers, power generating machinery, and chemicals were largely offset by sharply lower imports of soybeans and cotton.

Trend reversed

Recording a 44% increase in imports of U.S. goods, nearly twice the growth in its total intake, Nigeria reversed a downward trend in purchases here which had persisted for some time. Higher imports of grains and iron and steel tubes, pipes, and fittings for the oil industry accounted for the bulk of the rise from this country. As its imports of aircraft boomed, Israel recorded a 28% increase in arrivals from the United States. Nevertheless, the standing of American exporters on the Israeli market declined further.

In Brazil, a similar slippage occurred despite a one-sixth expansion in imports from the United States. Purchases of nonelectric machinery were up considerably but arrivals of grains and chemicals were reduced sharply. On the other hand, our supplier position in Argentina improved

moderately as greater purchases of chemicals, steel-mill products, and nonelectric machinery sparked an import advance of more than one-fourth from United States suppliers.

Austria and Portugal with decreases of 7% to 8% in imports from this country were the only developed nations reducing their intake of U.S. goods to any significant extent. Among developing markets, India lowered its purchases from the United States by two-fifths and Peru by one-fourth. An improvement in agricultural production reduced India's requirements for U.S. wheat, while its purchases of fertilizers were also severely curtailed. In addition, imports of American machinery and transport equipment were marginally lower. Despite the cutback in Peru's purchases here, our relative position in that market improved somewhat. Among the products most affected by the reduced inflow were grains, machinery, aircraft, and automobiles.

Reserves resume rise

Official gold and foreign exchange reserves held by the 48 major U.S. markets totaled $53.4 billion as of June 30, 1969, a gain of one-half billion dollars over the level at the same time last year. This improvement represented a recovery of the bulk of the decline in the 12 months ending last March. Developing countries accounted for the entire increase with a growth of 8%. The reserves held by the economically advanced nations declined fractionally. Massive capital flows, generated largely by heavy speculation in currencies especially during the international exchange crisis in May, caused substantial shifts in the reserves of several key countries.

Germany recorded the largest gain in official holdings, a $1.3 billion, or 14% rise, to $10.2 billion. This upsurge was due mainly to a continuing heavy trade surplus and a large inflow of short-term capital in anticipation of a revaluation of the mark. These factors heavily outweighed the expanded outflow of long-term capital.

Japan was not far behind with an increase in reserves of $1.1 billion. The country's exceptionally strong export performance was reinforced by a greater inflow of foreign investment funds. Imports, meanwhile, grew at a relatively slow pace.

Despite some losses in the second quarter of 1969, South African reserves rose by more than $300 million in the 12-month period, due largely to increases in gold stocks. Canada recorded a quarter-of-a-billion-dollar gain to almost $3 billion as government action curtailed the outpouring of short-term capital and trade surpluses remained strong. Due to an improved merchandise balance, particularly in the first half of this year, and its continuing attractiveness to foreign investors, Australia saw reserves grow by almost $200 million. Ireland's improved position stemmed from a moderate inflow of long-term capital plus a large-scale transfer into official holdings of the foreign assets of commercial banks.

Among developing countries, Libya recorded by far the most substantial expansion in reserves. The rise past the $900 million level was attributable to rapidly growing oil receipts. Both Pakistan and India showed solid gains, mainly the result of rising exports and good harvests. Brazil strengthened its holdings as good crops and an adjustable pegged exchange rate system contributed to a marked expansion in exports. At the same time, monetary measures tended to discourage imports.

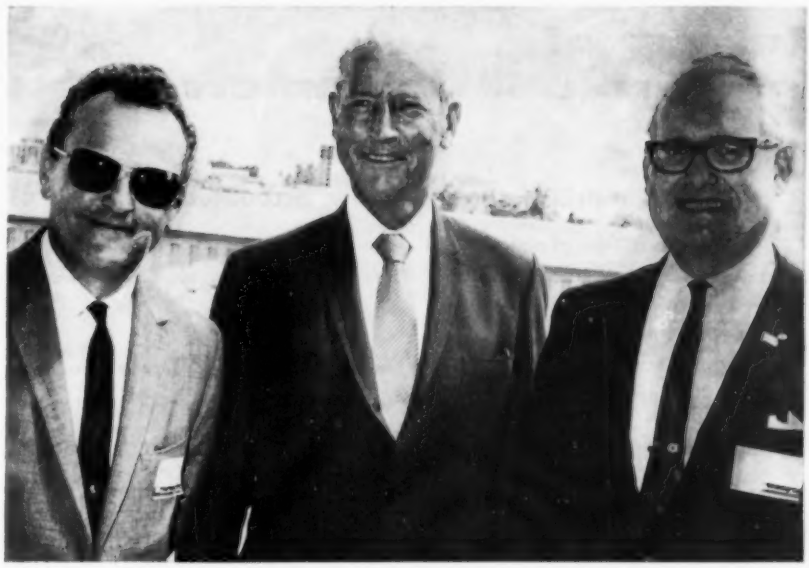
Sharpest drop

France incurred the sharpest drop in gold and exchange holdings with a net loss of nearly $2 billion from mid-1968. The country was plagued throughout most of the period by a persistent trade deficit and the flight of capital in spite of the austerity program reintroduced and intensified in November 1968.

Sweden, Belgium-Luxembourg, and the Netherlands all recorded sizable losses due primarily to a pronounced increase in capital exports attracted by high interest rates in the Eurodollar market. Italy's reserves, too, suffered from the outflow of funds, mainly from the low interest rates at home, domestic political uncertainties, and expectations of a German currency revaluation.

Although below the level of mid-1968, British reserves have stabilized in 1969. The improvement this year reflected U.K. success in restraining domestic demand and boosting exports.

Of the developing countries, Israel sustained the heaviest losses in reserves—more than $200 million—because of steeply rising imports and a slackening in the tempo of capital inflow.



FIRST MEETING AT HAWAII'S NEW CAPITOL of a private group was a joint session of the Hawaii Regional Export Expansion Council and the Hawaii Manufacturers Association. Governor John A. Burns is flanked by (left) Alvin R. Gould, chairman of the Hawaii REEC, and James Dolim, president of the manufacturers unit. Governor Burns forecast that manufacturing in his state will double in decade ahead.

A report on the value of total imports into all of the major free world foreign markets for which current statistics are available, and the U.S. share of those markets, is published quarterly in INTERNATIONAL COMMERCE. *The preceding report appeared in the issue of July 28.*

A tabulation showing current changes in world import markets and in the U.S. share, as well as changes in reserve holdings of the various countries, is presented on pages 8 and 9.

The report was prepared by the International Trade Analysis Division of the Commerce Department's Bureau of International Commerce.

The 48 markets shown below accounted for 89% of 1968 imports into all free-world

Value in millions of dollars

Published

Country	1968 Imports			1969 Imports January through latest month				Import change in latest available 12-month period compared with preceding 12-month period		Reserves at end of second quarter	
	From world	From U.S.	U.S. share %	Latest month	From world	From U.S.	U.S. share %	From world %	From U.S. %	1968	1969
Germany, Fed. Rep. of	20,150	2,173	10.8	July	14,008	1,456	10.4	+20	+ 6	8,883	10,158
United Kingdom	18,958	2,539	13.4	Aug.	13,344	1,779	13.3	+ 6	+14	2,683	2,443
France	13,929	1,319	9.5	July	10,337	865	8.4	+29	+18	5,517	3,611
Japan	12,988	3,529	27.2	July	8,293	2,192	26.4	+10	+ 7	2,001	3,129
Canada	12,446	9,118	73.3	July	8,268	6,086	73.6	+18	+17	2,703	2,953
Italy	10,253	1,193	11.6	June	6,016	691	11.5	+14	+20	5,382	5,149
Netherlands	9,291	1,014	10.9	July	6,152	573	9.3	+15	+11	2,477	2,366
Belgium–Luxembourg	8,333	689	8.3	June	4,837	337	7.0	+20	+ 7	2,532	2,211
Sweden	5,124	474	9.3	July	3,318	296	8.9	+14	+10	955	591
Switzerland	4,513	404	9.0	July	2,924	226	7.7	+13	+ 3	3,400	3,220
Australia	4,382	1,156	26.4	July	2,536	616	24.3	+ 6	+ 4	1,502	1,696
Spain	3,523	590	16.8	Aug.	2,676	424	15.8	+15	+ 4	958	915
Denmark	3,212	274	8.5	July	2,131	171	8.0	+10	− 2	468	372
South Africa, Rep. of	2,892	513	17.7	Mar.	716	91	12.7	+ 1	+ 3	1,233	1,557
Norway	2,706	206	7.6	July	1,600	139	8.7	+ 1	+21	693	656
India	2,508	875	34.9	May	948	204	21.5	−16	−40	720	838
Austria	2,496	84	3.3	Aug.	1,769	52	2.9	+ 8	− 8	1,495	1,413
Brazil	2,132	685	32.1	Mar.	497	125	25.1	+26	+16	212	377
Hong Kong	2,058	285	13.8	Aug.	1,510	205	13.6	+19	+10	(1)	(1)
Mexico	1,960	1,236	63.0	May	828	505	61.1	+10	+ 7	673	2704
Yugoslavia	1,797	90	5.0	June	1,039	47	4.5	+17	− 3	131	161
Singapore	1,661	114	6.8	June	927	69	7.4	+16	+23	(1)	(1)
Finland	1,593	72	4.5	July	1,093	64	5.8	+ 9	+31	323	295
Korea, Rep. of	1,468	452	30.8	May	650	170	26.2	+34	+14	380	433

Note: The countries shown above include the 48 major importers of U.S. merchandise in 1968 for which current data are available. In order to present comparable statistics for all countries, import data have been adjusted from an f.o.b. valuation to a c.i.f. valuation for the following: Australia, Canada, and the Republic of South Africa.

Import figures have been converted into U.S. dollar equivalents at exchange rates prevailing at the time of importation. Eleven of the 48 countries listed in this table devalued their currencies in the final quarter of 1967. If imports were valued in their national currencies rather than converted to U.S. dollars, the import changes in the latest 12-month period compared with the preceding 12-month period would be as follows: U.K., +9% from world and +18% from U.S.; Denmark, +14% and +1%; Hong Kong, +21% and +12%; Finland, +17% and +40%; Ireland, +24% and +29%; Trinidad and Tobago, +20% and +27%; and Jamaica, +26%

market report

foreign markets and 90% of imports from the United States.

quarterly

Country	1968 Imports			1969 Imports January through latest month				Import change in latest available 12-month period compared with preceding 12-month period		Reserves at end of second quarter	
	From world	From U.S.	U.S. share %	Latest month	From world	From U.S.	U.S. share %	From world %	From U.S. %	1968	1969
Greece	1,392	107	7.7	May	653	84	12.9	+31	+71	253	268
Iran	1,386	238	17.2	Apr.	466	63	13.6	+17	− 2	310	295
Philippines	1,280	415	32.5	June	630	180	28.6	+ 6	− 1	187	138
Portugal	1,178	86	7.3	July	539	22	4.1	+ 9	− 7	1,242	1,362
Ireland	1,172	87	7.4	May	587	52	8.8	+16	+19	386	542
Argentina	1,169	270	23.1	May	589	129	21.8	+25	+27	726	722
Thailand [3]	1,131	215	19.0	....	...	...	...	+14	+30	1,051	1,024
Israel	1,081	245	22.7	June	631	150	23.7	+31	+28	745	542
Pakistan	996	300	30.1	July	606	163	26.9	+ 7	+ 2	195	316
Taiwan	903	240	26.6	June	550	136	24.7	+31	+11	416	440
New Zealand	895	108	12.1	June	458	54	11.9	+16	+30	169	165
Turkey	770	122	15.8	May	324	47	14.5	+ 1	+12	123	149
U.A.R. (Egypt)	692	[4]38	[4]5.6	....	...	...	...	−13	−45	175	209
Libya	645	109	16.8	....	...	...	...	+35	+81	696	924
Colombia	643	322	50.1	....	...	...	...	+29	+43	117	164
Peru	630	237	37.7	June	289	88	30.3	−27	−26	91	155
Kuwait	611	105	17.1	....	...	...	...	+ 3	−19	180	178
Nigeria	541	63	11.6	June	333	42	12.7	+23	+44	125	135
Trinidad and Tobago	420	63	15.1	June	225	32	14.3	+13	+19	43	49
Jamaica	383	148	38.6	Jan.	32	10	32.4	+11	+10	143	144
Panama	266	104	39.0	....	...	...	...	+ 6	+ 4	65	[5]80
Ecuador	244	86	35.0	Mar.	62	17	26.4	+18	+ 1	61	50
Costa Rica	214	81	37.8	Apr.	67	22	32.2	+11	+11	21	31
El Salvador	214	62	28.9	....	...	...	...	− 4	−11	65	56

nd +26%. Spain, New Zealand, Peru, and Israel also devalued their currencies the fall of 1967 but data are not available for comparable calculations.

Reserves include official holdings of gold and foreign exchange and the gold tranche position in the International Monetary Fund.

[1] Not available.

[2] End of May.

[3] Port of Bangkok only.

[4] Partly estimated.

[5] End of March.

Source: Official trade statistics of listed countries.
International Monetary Fund, *International Financial Statistics.*

IFC, Danish investors help establish Turkey's largest privately-owned paper plant

The International Finance Corporation is joining Turkish and Danish sponsors to establish the largest privately owned paper manufacturing operation in Turkey.

The World Bank affiliate is committing $3.1 million to Viking Kagit ve Selulox, A.S., a new company that will build a paper mill at Aliaga, 45 miles north of Izmir, to cost the equivalent of $9.2 million. The mill will have an annual capacity of 13,500 metric tons of quality wrapping paper and toilet tissue and 5,000 metric tons of groundwood pulp. It is the first stage of a planned two-phase development to extend into the mid-1970s.

Sponsors listed

In addition to IFC, the World Bank affiliate which invests in private enterprise in developing member countries, Viking's sponsors include Turk Karteks Sanayi ve Ticaret A.S. and Otomobilcilik Sanayi ve Ticaret A.S. whose main shareholders are a group of private Turkish investors headed by the Ozakat family, of Izmir; Sinai Yatirim ve Kredi Bankasi (SYKB), a Turkish development bank in Istanbul; De Forenede Papirfabrikker of Copenhagen, the largest paper company in Denmark and a leading Scandinavian producer of high quality papers; and the Industrialization Fund for Developing Countries (IFU)—a self-governing, nonprofit institution established by the Danish Government—making its first investment.

The Viking plant is expected to begin commercial operation early in 1972 and will use both imported pulp and its own woodpulp as raw materials. The company will be able to produce a wide variety of products but plans to concentrate on quality wrapping paper and toilet tissue. Viking also intends to market converted products, such as envelopes, napkins and shopping and other bags.

The second phase of the project is tentatively scheduled for 1972-1975. It would expand the plant to produce, in addition, 23,500 metric tons of quality writing and printing paper and 10,000 metric tons of bleached wood or straw pulp annually.

Credit lack 'cuts U.S. export muscle'

The Commerce Department is determined to bring about improvements in U.S. export financing and aims to reconcile "varying views within Government as to the methods and priorities," a Department official told businessmen recently.

Speaking to the 43rd annual meeting of the Propeller Club of the United States at Savannah, Ga., Harold B. Scott, Director of the Bureau of International Commerce, said that lack of competitive export financing "is cutting into the muscle of our export expansion effort."

He reviewed the current situation in this field:

"As matters now stand, most of our major competitors are able to extend lower-cost, more flexible export financing.

"Export credit competition takes place in the international marketplace. Accordingly, our competing nations—but not the United States—have insulated export financing from domestic monetary conditions and policies, usually by central bank discounting of export paper.

"The United States, without comparable facilities, suffers a disadvantage when U.S. domestic interest rates are high, as they now are. We fight a difficult battle when we try to compete with foreign export financing that is based on rates pegged below foreign domestic money costs.

"Preferential rates for medium-term export financing are approximately as follows for five leading nations: United Kingdom, 5½%; France, 4½ to 5.8%; West Germany, 7.5%; Italy, 5.9%; and Japan, 4 to 7%.

"By contrast, interest charges on U.S. commercial bank financing for export financing today range from 9 to 11%.

"In addition to the problem of U.S. export interest rates, to reach our annual export goal of $50 billion by 1973, forecasts indicate we will need up to $10 billion additional export financing—an amount exceeding combined commercial bank capabilities under present monetary conditions and of Ex-Imbank potential under present federal budget priorities.

"Last month, the National Export Expansion Council recommended substantially increased resources and exemption from budgetary limitations for the Ex-Imbank, as well as immediate exemption of export paper from the Federal Reserve Voluntary Credit Restraint Program. And to solve interest cost and liquidity problems and to insulate export credit from the vicissitudes of domestic monetary conditions, the Council recommended an effective facility to rediscount short-, medium- and long-term export paper that would be fast and automatic and could provide competitive interest rates to exporters, banks and foreign buyers."

Michigan University offers overseas management study

Ways to put together an efficient overseas executive team will be examined by The University of Michigan's Institute for International Commerce in a Nov. 13-14 seminar. It is being conducted for personnel managers and others responsible for selection of executives for overseas operations of manufacturing industries and related fields.

Helpful ways of selecting and developing middle management personnel for overseas operations will be explored in this seminar, along with recent trends for compensation of such individuals, whether they be Americans or foreign nationals. Consultants and businessmen who have dealt with these problems abroad will participate in the seminar.

Contact: Dr. James D. Goodnow, Institute for International Commerce, Graduate School of Business Administration, The University of Michigan, Ann Arbor, Mich. 48104. Tel. 313-763-1387.

Eximbank helps Pakistan buy U.S. flight simulator

A $1.5 million credit by the Export-Import Bank of the United States will help Pakistan International Airlines Corp. finance the purchase of a flight simulator from the Link Division of Singer-General Precision, Inc., Binghamton, N.Y. The simulator is to be used for jet pilot training and is to be delivered in December.

PIA, Pakistan's national airline, operates domestic and international jet flights. Expanding rapidly, PIA last year carried over one million passengers for the first time. The present PIA fleet includes three Boeing 720-B's and three Boeing 707-340c's. Over the years, PIA has received more than $26 million in Eximbank loan assistance.

Larger share of German nuclear market aim of U.S. firms in Frankfurt show

Ten year market estimated at $6.25 billion for 30-50 additional atomic power plants; U.S. exporters supply 50% of current needs

The vigorously expanding market for nuclear instrumentation and equipment in the Federal Republic of Germany presently offers new sales opportunities for U.S. manufacturers.

To take advantage of this market, which may reach $6.25 billion over the next ten years for constructing 30-50 new atomic power stations, the U.S. Department of Commerce's Bureau of International Commerce is mounting an exhibition at the Frankfurt Trade Center Feb. 16-20.

The Third German Atom Program of 1968-1972 will provide government funds for nuclear research and development in the amount of $1.25 billion, an increase of 53% over the amount allocated during the Second Atom Program of 1963-1967. In Germany today, 70,000 scientists and engineers are working in 1,000 laboratories at basic and applied research projects involving radioactive materials. By 1980, nuclear power is expected to supply 40% of Germany's electricity.

While 80% of all sales in the nuclear market are presently directed toward Germany's public and private research centers, it is anticipated that sales to the industrial sector soon will begin to increase, particularly once the German industry begins to employ radioisotopes and irradiation techniques in their production processes on a wider basis.

The U.S. presently has better than 50% of the German nuclear products import market, a situation which is expected to increase when commercial application of irradiation technology is stepped up.

Until now, provisions of the German Radiation Law have retarded the use of this advanced technology in such industries as food processing, textiles, plastics and electronics.

Equipment users

Major users of nuclear instrumentation and equipment are:

Nuclear research—Major users are the six nuclear research centers. In the 3rd Atomic Program, 1968-1972, $508 million is earmarked for expenditure.

Reactor building—The German reactor building industry is presently experiencing expansion. Nineteen nuclear power plant projects are due for completion by 1975, creating a total output capacity of 10,000 megawatts. Also, there are contracts and projects abroad which require delivery of one power plant per year.

Other users—In addition to nuclear research centers and institutes, among the largest user of radiation measuring equipment is the Federal German Army (Bundeswehr). The larger fire departments are major users of radiation protection equipment. Every major clinic is a user of nuclear-medical equipment whenever it can be utilized for diagnostic and therapeutic purposes. Prime users of radiation measuring equipment in industry are paper factories and foil manufacturers who use layer-thickness or surface weight measuring equipment, as well as the chemical industry which uses filling gages. Applications of density and moisture measuring equipment are rapidly growing.

Potential exports

Manufactured products with high sales potential in Germany include:

► Radiation measuring instruments—counters, timers, discriminators, dosimeters, analyzers, coincidence units, amplifiers, preamps, multipliers, scalers, and pulse stretchers.

► Radiation controlling instruments—tube counters, detectors, monitoring systems, and radon systems.

► Radiation protective devices—shielding materials, filters, filter pads and media, manipulators, glove boxes, containers and accessories for storage and transportation of radioactive materials.

► Accelerators and accessories—magnets, Gaussmeters, Hall effect apparatuses, ion sources, beam integrators, quadrupole lenses, magnets resistance apparatuses, Faraday rotation apparatuses, isotope separators, and ion accelerators.

► Special equipment for reactors—reactor materials and auxiliary equipment, nuclear metals, precision filters and seals, pipe fittings, valves, test and viewing equipment, measuring, control and monitoring systems, and computers.

► Equipment for commercial application of radioisotope and irradiation technology—irradiators and accessories, thickness and density gages, height and level-gages, humidity gages, bulk flow and mixture determination gages, absorption and backscatter gages, radiation chemistry equipment, radioisotope static electricity removers, and radio chemicals.

U.S. manufacturers of nuclear instruments have been successful in several previous exhibitions. In the recent Oct. 6-11 International Nuclear Industries Fair, NUCLEX, in Basel, Switzerland, the record for projected sales in a U.S. show was set by 38 of 49 participating firms—$63.3 million. Floor sales for the show, reported so far by only five firms, reached $245,575. Nine agents were appointed during the show and the 19 companies seeking representation had 51 candidates under review at its close. (NOTE: A full report on this show will be presented in an upcoming issue.)

At the previous NUCLEX in 1966, 61 firms appointed 20 agents and the post show studies indicate more than $4.4 million in resulting sales. In September 1968, 28 manufacturers participated in an exhibition at the London Trade Center and closed with $61,849 in floor orders and $1.3 million in projections.

Nuclear instrumentation and equipment manufacturers interested in the February exhibition may obtain additional information from the U.S. Department of Commerce (BIC-938), Washington, D.C. 20230 (202-967-2425), or from any of the Department's Field Offices.

Central American industry, agriculture fair planned

U.S. manufacturers, suppliers and distributors of industrial and agricultural equipment, and livestock breeders are invited to participate in the April 1970 Central American Agricultural and Industrial Fair planned for the cattle exposition grounds in Managua, Nicaragua.

Purebred beef and dairy cattle, hogs, industrial equipment and machinery, farm supplies such as cattle scales and meat, fruit and vegetable processing equipment may find good markets.

This annual event was last staged in Costa Rica in April and is now being expanded from a cattle showing into an international fair.

Write: Oficina Nacionale de Turismo, Managua, Nicaragua, Central America.

U.S. firms entering 1970 IEA exhibition seek bigger slice of U.K. electronics market

Industrial instrumentation including controls, science devices, computers and automated systems will be featured in spring show

U.S. manufacturers will be able to participate in their third International Instruments, Electronics and Automation Exhibition (IEA) in London, May 11-16, 1970 through a U.S. Department of Commerce commercial exhibition.

The 1970 biennial event will be held at London's Olympia Hall, where 62 American makers of measuring, testing and control instrumentation participated in a Commerce-sponsored exhibit at the May 1968 IEA, and as a result made over $4.2 million in first-year sales and appointed 28 agents to handle their products on a long-term basis. The U.S. first participated in 1966.

An early sellout of space is expected for the U.S. exhibit, which will be staged by the Department's Bureau of International Commerce. In advance of the opening, market promotion experts will begin contacting buyers, agents, distributors and manufacturing licensees in the United Kingdom to assure maximum attendance at the show.

Aiming their sales efforts at a growing market for industrial instrumentation, U.S. exhibitors will show a full range of laboratory, scientific and industrial instruments, computers, data-handling and automation systems and industrial controls, as well as a variety of professional and industrial electronics equipment.

In 1968, U.S. companies supplied about one-half of the United Kingdom's $31 million import market for electronic measuring and control equipment, according to Commerce studies.

Computer market

Britain is a proven market for computers. More than 3,000 digital computers are already installed, and this number is expected to double in two years. Imports of digital computer systems in 1968 exceeded $73 million.

American businessmen will find good sales opportunities in the U.K. for advanced equipment in the following categories:

Computers; bridges; filters; converters; timers; impedance measuring instruments; circuit testers; digital circuit modules; null detectors; frequency indicators, recorders and controllers; shaft-position encoders; speed indicators, recorders and regulators; torque control equipment and gages; spectrometers; spectrophotometers; spectrum analyzers, and attenuators.

U.S. manufacturers interested in the show in London may obtain more information from the U.S. Department of Commerce (BIC-942), Washington, D.C. 20230 (202-967-3838), or from any of the Department's 42 Field Offices.

South African show developers realign

Trade fair schedule for 1970 altered; new shows added

Organization changes recently effected in the South African trade fair industry should be of interest to U.S. firms doing business or intending to do business in that country. The two largest firms in the specialized exhibition business in South Africa were combined when Industrial Exhibition Organisers acquired S.A. Exhibition Organisers.

The result of the takeover is that all overlapping exhibitions will now be combined (See Aug. 25 issue of INTERNATIONAL COMMERCE), and five new exhibitions are planned for next year. Industrial Exhibition Organisers, now the largest firm of its kind in South Africa, is setting up an office in Cape Town.

In another development, a newly-formed firm, Trade Fairs and Exhibitions, which will mount shows for manufacturers, suppliers and exhibitors, is to move into the field in Johannesburg. The new company claims three "firsts"—the first South African Toy Fair; the first Hairdressing Trades Fair; and the first Fancy Goods and Gifts Fair.

Three other fairs scheduled for the 1970 season cover the fields of jewelry manufacture, travel and photography, and interior decor. The last two exhibitions are scheduled to be open to the public.

U.S. firms interested in learning more details of these exhibition organizations should write to the Industrial Exhibition Organisers Pty. Ltd., P.O. Box 15517, Siemend, Johannesburg.

British Columbian exhibition open for U.S. participation

U.S. exporters interested in entering the Canadian market or increasing their current share of that market are invited to exhibit in the Fifth British Columbia International Trade Fair which will be staged at Exhibition Park, Vancouver, May 19-29, 1971.

British Columbia's Ministry of Industrial Development, Trade and Commerce will organize the event, which will be a general industries fair.

Write: Agent General, British Columbia House, 1/3 Regent St., London, S.W.1.

Printing trades fair scheduled for London

The International Printing Machinery and Allied Trades Exhibition (IPEX 71) will be held at Earls Court and Olympia from July 13-24, 1971, in London. Held last in 1963, this will be the first British exhibition to be completely metric—from stand measurements to currency.

The international exhibition is expected to attract more than 800 exhibitors to one of the largest exhibitions held in England or staged by a single industry. Organized by Industrial and Trade Fairs Ltd., the show is being promoted by the British Printing Machinery Association and the European Committee of Associations of Printing and Paper Converting Machinery Manufacturers.

The range of exhibits and displays will cover the entire field of machinery, equipment and materials, including presses and typesetting machines to binders and duplicators which are used in printing and its allied fields, and the technical advances of the last eight years since IPEX 63. For further information contact: Industrial and Trade Fairs Ltd., New Oxford St., London, W.C.1.

Show outgrows Center

The January U.S. Trade Center exhibition in London, Data Transmission Facilities, has been rescheduled and relocated to accommodate the 45 exhibitors anticipated for the show.

Previously set for Jan. 12-16, the show will now open Jan. 19 for a five-day run at the Bloomsbury Centre Hotel.

Now classified as a U.S. solo exhibition, the products emphasis to be featured in the show has remained as before.

Essen welding show draws 4,850 visitors, 24 U.S. companies

Abex Corp's first splash into the German market turned into a tidal wave as it appointed 20 licensees and was negotiating with 146 other candidates for agency/distributorships by the close of the 7th International Welding and Cutting Fair in Essen. Floor sales for the New York firm hit $333,600 and 12-month quotations of $567,000 in sales have been projected.

Abex, the exhibition's sales leader, appointed its representatives in Italy, Belgium and Germany. Displays of hard surfacing alloys, semi-automatic welding wires and manual electrodes and rods dominated their booth in the Sept. 20-28 show.

Twenty-four U.S. firms mounted displays in the U.S. Department of Commerce's exhibition in the international fair. Total floor sales reached $1.3 million, while projected sales over the coming 12 months top $3 million.

Thirteen firms entered the German market for the first time through the show. An additional three companies made their debuts in exporting. Nineteen U.S. firms seeking representatives appointed 45; 304 were under negotiation by the show's close.

More than 4,850 visitors registered at the U.S. show and 98,250 registered for the entire fair.

Other exhibiting companies include Advance Glove Manufacturing Co., Detroit; Airco Welding Products, New York; All State Welding Alloys Co., White Plains, N.Y.; American Optical Corp., Southbridge, Mass.; Arcair Corp., Lancaster, Ohio; Bernard Welding Equipment Co., Beecher, Ill.; Caterpillar Tractor Co., Peoria, Ill.; Cecil Equipment Co., Inc., Cleveland; Chin-Lenz Safety Products, Inc., Fort Smith, Ark.; Falstrom Co., Passaic, N.J.; Eutectric Corp., Flushing, N.Y.;

The Fibre-Metal Products Co., Chester, Pa.; Glendale Optical Co., Inc., Wayne, N.J.; Guild Metal International Co., Bedford, Ohio; Hytronic, Inc., Portland, Ore.; Martin Engineering Co., Neponset, Ill.; Modern Engineering Co., Inc., St. Louis; Racine Glove Co., Inc., Rio, Wis.; Ransome Co., South Plainfield, N.J.; Technitron, Inc., Carol Stream, Ill.; Tempil Division, Big Three Industrial Gas Equipment Co., New York; Tuffaloy products, Inc., Detroit; Weld Tooling Corp., Pittsburgh.

BUG-O SYSTEMS by Weld Tooling Corp. attract customer attention, above, while international fair visitors at the welding and cutting exhibition, below, inspect the display mounted by Hytronic, Inc. More than 98,000 visitors registered for the fair and 4,850 businessmen registered at the U.S. show.

VENTILATING UNITS FOR WELDING MASKS were displayed by one of the 13 U.S. companies entering the German market for the first time. Floor sales by U.S. firms in the Sept. 20-28 show are $1.3 million; projected orders hit $3 million. This show is held every four years; the U.S. has participated twice.

Australia in buying mood

Mineral boom, increasing wages create demand for machinery U.S. can supply

By PAUL H. BRENT
Commercial Attache, U.S. Embassy, Sydney

Against inflationary tendencies and strong growth in the Australian economy, American exporters have an improving opportunity to increase their sales here. The gross national product's growth rate is forecast at 6-7% in real terms. Because wages are increasing more rapidly than productivity there is good demand for replacement machinery and other new equipment to improve the industrial plant in order to cope with competition and the cost/price squeeze.

Capital equipment presently comprises about two-thirds of imports from the United States. Stimulated by mineral developments, and growing importance of manufacturing in the total economy, the metal working industry should continue to be most attractive to U.S. firms. With a steadily expanding population and regional growth, the transportation and communication industries likewise offer sales opportunities, particularly for sophisticated electronic equipment.

U.S. trade grows

Australian imports from the United States for the fiscal year which ended June 30 grew at a steady rate (5.4%) generally commensurate with the growth in total imports (6.1%) and real GNP growth of the non-agricultural part of the economy. Imports from Japan increased much more (20%) while imports from the United Kingdom increased only 3.6%. Australian exports to the United States for the year ending June 30 increased 19.2%.

The United States maintained its position as principal supplier of imports to Australia with a percentage share of 25.6%, approximately the same as during the 1968 statistical year, while increasing its percentage share of Australian exports to 14.3% from 13.2% last year. The significant trend in total trade patterns is a proportionately greater increase of Japan's participation in both imports and exports. Japan is still Australia's best export market with 24.5% of the total as against 21.1% last year.

Primary products are still the key to economic prosperity in Australia, but the share of manufactured products in the gross national product is climbing. Nevertheless, any appraisal of the Australian economic scene, and consequently its market prospects, is colored by the continuing boom in mineral production. Iron ore has been widely publicized as the wonder development of the current decade, but it is closely followed by expanded production of coal, nickel, manganese, copper, lead, rutile, zinc and uranium, among others. This growing mineral development in Australia indicates a strong market for all forms of earth moving and materials handling equipment as well as related mining machinery and equipment.

These developments are taking place throughout Australia and, considering the size of the country, American firms need energetic and strong sales forces in order to take advantage of available opportunities.

Somewhat on the negative side are developments in a couple of primary commodities—wheat, of which there is a heavy surplus with an indicated carryover this year nearing 250 million bushels; meat, which is momentarily hobbled in expansion of exports to the United States; dairy products, which are high-priced and subsidized and lack real export competitiveness; wool, which although not held in surplus stocks, suffers severe competition in world markets from other wool producing nations and from synthetics. These deterrents, coupled with increasing drought conditions in Queensland, present a very spotty picture for primary industries which could be steady customers for agricultural and processing equipment

U.S. FIRMS ARE PLAYING A LEADING ROLE in the development of Australia's recently discovered mineral wealth. This is part of a coal tar distillation plant built and operated by Koppers Australia.

related to some of these commodities just named.

On the other hand, however, a substantial boom is indicated in the iron and steel manufacturing industry. Australia is blessed with great resources of coal, limestone and iron ore, all relatively close to seaboard in the four states of Queensland, New South Wales, South Australia and Western Australia. Australia's steel industry is one of its most competitive economic activities but, until now, has been dominated by a single major producer—Broken Hill Pty. Co. Ltd.—with an output of about six million tons of steel a year.

Because of Australia's continued strong growth in GNP, with forecasts running in the neighborhood of 6-7% in real terms, considerable interest has been shown in new steel production facilities. Broken Hill Pty. Co. Ltd. (BHP) will expand its output at Port Kembla works by three million tons in the early 1970s. The British group Guest, Keen and Nettlefolds will be joining with BHP and John Lysaght in a new two-million-ton capacity steel plant near Westernport, Victoria.

More recently, however, announcement has been made of an international consortium comprising Armco Steel, Bethlehem and Kaiser Steel, and Hamersley Iron (principally owned by Conzinc Riotinto of Australia and Kaiser), which will be joining in a study to be carried out by Armco on the feasibility of a $300 million steel complex near Jervis Bay, approximately 100 miles south of Sydney. Through the connection with Kaiser, which has a 36% equity in Hamersley Iron, the new complex will undoubtedly be using iron ore from Hamersley's Mt. Tom Price operation in Western Australia.

MINERAL BOOM CONTINUES TO FUEL Australian economic growth, and provide markets for U.S. mining machinery. Above, equipment at work at one of the Hamersley Iron Pty. operations in Western Australia.

The estimated capacity of the ultimate complex being considered by the consortium would involve an output of five to six million tons a year, or roughly equivalent to the current output of Australia's present sole producer.

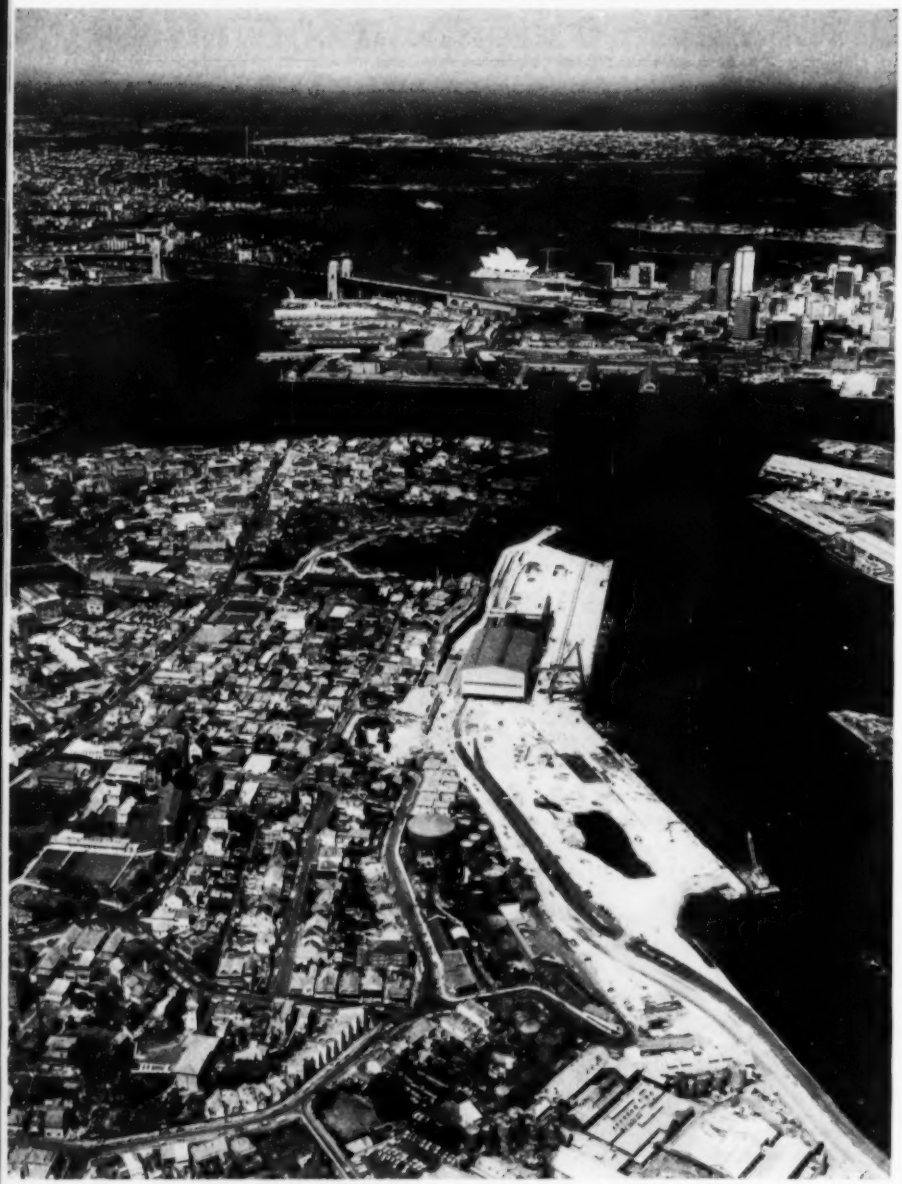
This significant development suggests a great deal more activity in the metal-working field, even though much of the output of the new complex being studied by the international consortium will apparently go into the export trade. This would suggest that firms which have new cost saving equipment or machinery for the metal-working industry should be alert to an expansion in this industry in coming years.

Australia is advancing industrially in many other products—processing of seafoods, lumber and paper and on a wide front in the chemical field. The Government has a strong policy of fostering industrial development and there are various schemes in the different states intended to encourage decentralization and development in secondary centers. Australia welcomes international capital although the Government has most recently

GROWING U.S. EXPORT SALES are reflected in this Armstrong Cork Co. vinyl flooring covering the children's playroom at the Dalmar Children's Hospital in New South Wales.

AMA studies Australia

The American Management Association will offer a three-day seminar on Operating Profitably in Australia at its New York headquarters Nov. 10-12. Among other topics, the seminar will include several case studies of firms already active in the Australian market, reviews of the marketing and banking systems, legal aspects of investing in Australia, and the labor and management situation. **Write:** American Management Assn., AMA Building, 131 West 50th St., New York, N.Y. 10020



MODERNIZATION OF AUSTRALIAN TRADE opens prospects for increased U.S. sales. At lower right, work on Sydney's container terminal proceeds, while merchant vessels from around the world dot the harbor.

announced some modified guidelines for foreign investment and for the raising of capital in Australia. Australia is a country with great potentials, a stable Government, a receptivity to new techniques and equipment.

Specific market approaches

There are many well-organized and qualified agency firms prepared to actively represent American manufacturers. The Department of Commerce, through its field offices, provides extensive services for American businessmen interested in overseas markets. For Australia, reports have been submitted on the market for industrial automation equipment, food, bakery, meat and poultry processing equipment, packaging equipment, hospital and medical equipment, automotive servicing equipment and dairy equipment. These are obtainable from Commercial Intelligence Division, BIC-924, U.S. Dept. of Commerce, Washington, D.C. 20230 and will serve to introduce American manufacturers to opportunities that exist, but there is no substitute for an active on-the-spot investigation.

There are plans for product exhibitions and technical seminars in various lines in Australia under the sponsorship of trade and professional organizations. Australia lags behind the United States in modernity and scope of medical facilities. There is a real need for new facilities and there is a high regard for U.S. techniques and equipment. As a matter of fact, many medical and professional men have trained in the United States and favor American equipment.

U.S. firms interested in this field should consider direct participation in the International Hospital Congress, scheduled for Sept. 28-Oct. 2, 1970 in Sydney. It will be a world event accompanied by a seminar program which will attract leaders in the profession.

With Australia's rapid growth in manufacturing there are many opportunities in the field of engineering equipment. The Metal Trade Employers Association, a nationally important trade association, will stage the biennial Sydney International Engineering Exhibition from Aug. 17-22. In addition to wide Australian participation, there will be strong international representation by Japanese, German, British, Italian, French and even Romanian manufacturers.

Electronics shows promise

Another very promising field in Australia is electronic instrumentation, control electronics and automation equipment. Australia faces the familiar problem of cost/price squeeze and alert manufacturers are looking for all opportunities to increase their efficiency and output. Therefore, any equipment that speeds up the production process, brings about better quality control or results in cost saving, probably will find a ready market in Australia.

An excellent platform for American firms to show their wares in these fields is the exhibition sponsored by Control Electronics, Telecommunications, Instrumentation and Automation (CETIA) Exhibition Adminstration, scheduled to be held in Melbourne Feb. 23-27. This show, highly regarded by Australian manufacturers of such equipment, is considered by industrial users as the place to see the latest in instrumentation and electronic equipment. Interested firms should get in touch with R. J. Glover, Executive Director, CETIA, G.P.O. Box 3629, Sydney, New South Wales 2001.

In the packaging field, an excellent show, PAKPRINT, '70, will be held in Sydney May 11-15. It will be broader than packaging equipment—also including

printing machinery and accessories. Packaging in Australia is not up to many international standards, and there is a good market for efficient packaging machinery. Firms interested in exhibiting should apply to Industrial and Trade Fairs Pty. Ltd., Third Floor, ADC House, 77 Pacific Highway, North Sydney, New South Wales 2060.

With industrial, commercial and residential construction activity at high levels there are many opportunities for introduction of modular construction techniques and equipment. Costs are an important factor in this industry. Australia produces a wide range of common construction materials, but interior equipment can be competitively introduced.

Several exhibitions are open to U.S. manufacturers in this field in 1970—Heating, Ventilating and Air Conditioning Show, Melbourne, May 25-29 sponsored by General Exhibitions, Fairs and Conventions, 392 St. Kilda Road, Melbourne, Victoria 3000; International Building Exhibition, Sydney, June 17-25 sponsored by International Building Exhibition of Australia, 25-A Willoughby Road, Crows Nest, New South Wales 2065; International Design, Decor and Building Trade Show ("BUILDEX"), Melbourne, Aug. 31-Sept. 5, held by General Exhibitions, Fairs and Conventions (address above).

There are a variety of other exhibitions which offer an effective means of showing new products in Australia covering such fields as catering equipment for hospitals and institutions, materials handling equipment, dairy equipment, textile machinery, mining machinery and many others over the next several years. This is an effective way of breaking into the Australian market with or without agents, for it follows the fundamental selling principle of bringing products to customers for business.

Australia's new investment guidelines make few changes

General aim is to increase Australian participation in foreign projects locating there; overseas investors are still welcome

Prime Minister Gorton has announced in Parliament the Australian Government's new guidelines on foreign investment in Australia. Although there were some moderate changes, for the most part the new guidelines are clarifications of existing policies. The Prime Minister reiterated the Government's policy of continuing to encourage foreign investment in Australia, and noted that the Australian Government's general objective, as reflected in the guidelines, is to encourage greater participation by Australians in foreign enterprises established in Australia.

The Prime Minister's announcement covered three areas: (1) fixed-interest borrowing by foreign companies operating in Australia; (2) deductibility of interest for income tax purposes on convertible company securities; and (3) takeovers of Australian companies by foreign interests.

Under the new borrowing guidelines, all enterprises in which foreign interests own directly or indirectly more than 25% of the shares will continue to consult the Reserve Bank regarding proposals for fixed-interest borrowings in Australia, as under the existing guidelines established June 30.

Foreign firms established at least four years will be permitted to borrow locally up to 10% of additions to "funds employed" (essentially, increases in capital). Firms established less than four years will be permitted local borrowings up to 2½% of the increase of "funds employed" for each year the firm has been established. The allowance will increase each year for such firms up to a maximum of 10% of subsequent increases of funds.

Companies having Australian equity, however, will be allowed to borrow additional amounts domestically in a ratio of four-to-three depending on the percentage of Australian equity. (Firms with 30% Australian equity would be permitted to borrow 40% of the increase of capital in addition to the basic allowance.) However, these features can be modified in special circumstances.

The Prime Minister elaborated on the Australian Treasurer's statement, in his August budget presentation, that deductibility of interest for income tax purposes on convertible securities would again be allowed. Before 1960 interest on all convertible securities was deductible, but it became evident that convertible notes were being widely substituted for equity issues and that, in many cases, the purpose of the substitution was tax avoidance. So to protect the revenue, deduction of interest on all convertible securities was disallowed in 1960.

As a means of diverting fixed-interest borrowings into borrowings offering equity participation for Australians, conditions to which convertible securities must conform if they are to qualify for deductibility of interest were laid down. Such convertible notes would have to have a term of at least seven to ten years, and the option to convert would rest with the note holder and not the company.

Special attention was given by the Prime Minister to the protection of Australian firms from being taken over by foreign firms or other Australian companies, and to prevent the use of takeover methods which are unfair to a company's shareholders as a body.

The guidelines are also designed to give the Government more time to intervene, or express a view on, takeover proposals which may involve the national interest. The Prime Minister recommended provisions to (a) require disclosure of any ownership of 10% or more of voting capital in a company, and (b) establish procedures governing any attempt to obtain more than 15% of the voting power of a company, including a period for prior notification of intention to make such a bid.

Australia puts extra duties on lathes, grinding machines

The Australian Minister for Trade and Industry has announced that additional temporary duties will apply to imported general-purpose lathes and grinding machines following adoption of a report by the Special Advisory Authority. The special duties became effective Oct. 3 and are additional to the normal duties which are 40% general (applicable to products from the United States) and 27½% preferential.

The temporary general duty on general-purpose lathes is 7½% ad valorem and on grinding machines is 12½%, plus in each case the amount by which the f.o.b. price of the imported machine is less than the base figure which varies according to the machine's size.

The new duties do not apply to goods which were in direct transit to Australia prior to or on Aug. 19, provided they are entered for home consumption within 21 days after importation.

The temporary duties will apply until the Tariff Board's current inquiry is completed.

New Zealand in upswing

Development targets should create import markets for equipment, technology

By JAMES MAISH, JR.
Commercial Officer,
U.S. Embassy, Wellington

Economic targets which entail a substantial expansion of medium and heavy industry and modern technology promise improved prospects for American exports to New Zealand.

MAISH

Heavy investments for development projects programmed by the New Zealand Government for the next five years also will require the procurement of significant quantities of heavy construction and materials handling equipment, special industry machinery, electric power transmission and distribution equipment.

Trade relations between the United States and New Zealand should continue to improve, particularly if the Government of New Zealand continues its policy of removing licensing and quota controls on imports.

American exporters should not judge the New Zealand market too lightly. They should consider possibilities for joint ventures or licensing arrangements. U.S. businessmen visiting Australia are urged to include New Zealand on their itinerary and deal directly with the New Zealand buyer, who is becoming more and more interested in what the United States has to offer.

New Zealand's Government, of course, recognizes that if industry is to compete more effectively on both the domestic and overseas markets, it must be able to buy and use up-to-date plant machinery. The importation of modern machinery and equipment will be permitted where satisfactory substitutes are not available from domestic sources.

On even keel

New Zealand's economy, which has successfully weathered the 1966-68 business recession, now appears to be moving on an even keel. The improved economic situation, however, has signaled the need for the government authorities to maintain a close watch on expenditures to minimize the effect that rising import payments might have on the nation's balance of payments position. Fortunately for New Zealand, a marked increase in exports, which topped the $1 billion mark in the trade year ending June 30, has provided some room for maneuvering. The rise in economic activity has been accompanied by the restoration of business confidence, which in turn is reflected in a noticeable go-ahead attitude of the industrial-commercial sector.

Though New Zealand customs tariffs on some products may be high, the Embassy feels that American exporters should not consider them as insurmountable barriers. The New Zealand manufacturer is interested in the best product for his needs and to him this means one that offers maximum efficiency, durability, and quality. New Zealanders appreciate quality, uniqueness, and style.

U.S. trade hampered

The preferential tariff margins accorded to Commonwealth suppliers continue to hamper the development of United States trade. However, some relief from the Commonwealth preferences exists under a provision of the New Zealand Customs Act which permits extension of the lower Commonwealth tariff rates to imports from non-Commonwealth sources when an importer can demonstrate that goods of a suitable character are not available from Commonwealth sources because of specific technical or commercial considerations.

In early August the Prime Minister of New Zealand convened a meeting of a special Cabinet Committee to consider New Zealand's trading relations with the United States. Though the basic purpose of the meeting was to explore ways to promote New Zealand's important trade interests in the American market, a proposal to establish a procedure to consider means of removing barriers to bilateral trade and increasing economic cooperation is in itself a significant step in the right direction.

New Zealand programs to achieve the economic targets established by the National Development Conference which was convened in early 1969 should create additional opportunities for U.S. product sales in this market.

The excellent reputation of American products plus the desire of New Zealand buyers for modern machinery, equipment and technology, superimposed on the current upswing in industrial development also promise good sales opportunities for U.S. products.

New Zealand manufacturers want the newest machinery and equipment. An equal interest in modern technology offers U.S. investors opportunities for joint ventures and licensing arrangements.

The New Zealand buyer is increasingly becoming interested in what the United States has to offer, especially in the capital goods and industrial raw materials field. While there is a strong latent demand for U.S. consumer products as well, import licensing controls will inhibit trade in these products at least for another year.

The U.S. share of the New Zealand market the past few years has fluctuated between 10 and 12%. The Embassy's long-term projections suggest a one percentage point rise per year in the U.S. market share. The U.S. share of the market remained third only to that of the United Kingdom and Australia, which enjoy advantages of sentiment and preferential tariffs. In Australia's case, proximity constitutes a real advantage. The United Kingdom will continue to make vigorous efforts to retain its share of the New Zealand market, but the Embassy foresees a diminishing reliance on the United Kingdom as a trading partner, and a strengthening of markets in the so-called Pacific Basin.

Japanese competition formidable

There has been a constant commercial presence of Japanese businessmen in New Zealand, and Japanese participation in the large Comalco aluminum smelter has been given considerable publicity in the New Zealand press. Also, local preparations for the forthcoming Expo 70 Fair at Osaka have contributed substantially to the image of Japan as a close trading partner. Japanese industry participated very actively at the International Trade Fair in Auckland (Aug. 20-Sept. 6), and Japan Day at the Fair was climaxed with a $4,000 fireworks display over Auckland harbor.

Total imports of $892.4 million in the fiscal year ending June 30 represented an increase of 29% from the 1968 fiscal year. Export receipts in the 1968/69 period rose 21.5% to $1,090.8 million.

The United States is New Zealand's second largest export market. In the year ending June 30, exports to the United States amounted to $190.3 million and imports from the United States were $111.3 million, allowing New Zealand a

whopping favorable balance of $79 million. The United States was a major purchaser of beef, lamb, hides, crayfish, casein, and carpet wool. Imports of aircraft from the United States by the National Airways Corp. of New Zealand, calculated by the country's Statistical Department to be around $17.5 million, caused total imports from the U.S. to increase by roughly 46%.

Exports by New Zealand manufacturers in the 1968/69 fiscal year were valued at $106.6 million, which was $33.6 million more than in 1967/68. The Targets Committee of the National Development Conference foresees an annual increase of 10% in exports of manufactured goods.

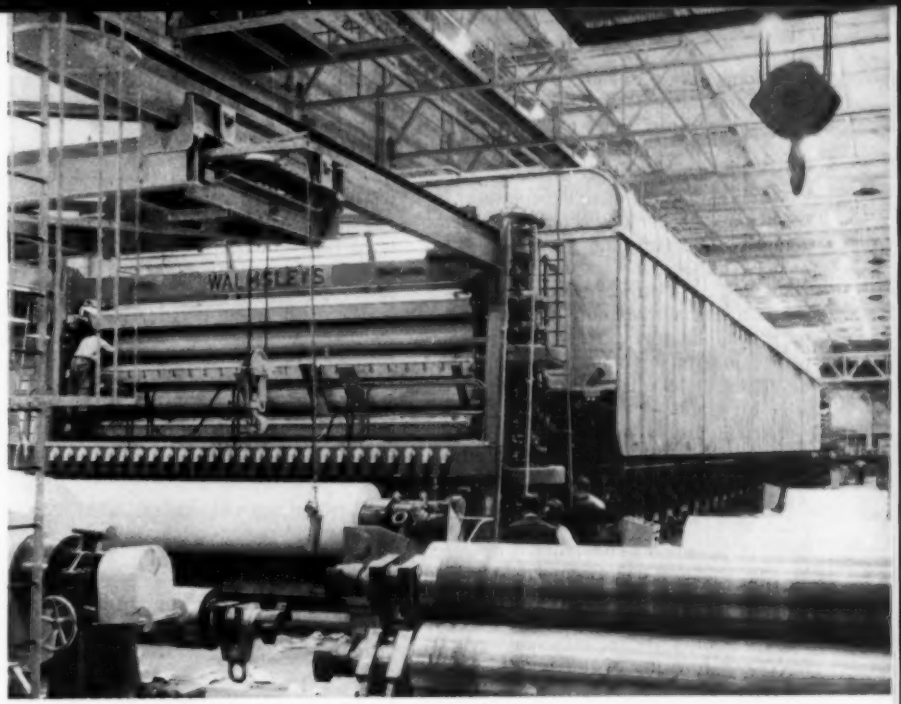
Planned expenditures for the next five years include a heavy investment in new electric power facilities. The New Zealand Electricity Department plans to double its present capacity of 12,182 million kilowatt hours by 1972 to meet the demand of the nation's expanding industries.

American power-generating equipment, though it enjoys an excellent reputation, has found it difficult to compete with equipment from the United Kingdom in the system of public tenders used by the New Zealand Electricity Department. A major opportunity will be provided by a proposed nuclear-fueled thermal power station which is scheduled for completion in 1975. An English firm of consulting engineers (Preece, Cardew and Rider) has been retained to report on the feasibility of nuclear generation and, if required, to recommend a specific proposal which would meet New Zealand conditions. A frank preference for the natural uranium reactor over the enriched fuel type is a barrier which U.S. suppliers need to overcome in order to be in the running.

Railway renewal

The Railways Department of the New Zealand Government is expected to pursue with renewed vigor its modernization of plant and equipment. In 1968/69 Yugoslav bidders were successful on tenders for covered goods wagons, and Japanese bidders have been successful in the sale of mainline diesel electric locomotives and passenger wagons. New developments in bulk handling and loading methods to tie in with proposed containerization schemes now under consideration in New Zealand should provide opportunities for special materials handling machinery and equipment.

The New Zealand Government this past year has dedicated considerable time and effort to the subject of containerization. Feasibility studies have been made by overseas organizations which have submitted lengthy reports. A number of New Zealand harbor boards also have conducted their own studies in an effort to stay in the main stream of shipping.



U.K. ROLE IS DIMINISHING in New Zealand's trade picture, but Commonwealth preferences continue to inhibit U.S. trade growth. This U.K. newsprint machine is at Tasman Pulp and Paper Co.'s mill at Kawerau.

Indications are that Auckland and Wellington will be designated as the country's official container ports. Considerable money has been spent by New Zealand ports on facilities for trans-Tasman roll-on roll-off cargo ferrying, and there is reason to believe that substantial expenditures will be made on container cargo handling systems. American companies which wish to offer machinery and equipment for this purpose are encouraged to communicate direct with the Auckland Harbour Board, Wellington Harbour Board, and the Lyttelton Harbour Board which serves the Christchurch (South Island) area. Members of the Lyttelton Harbour Board understandably are reluctant to sit back and allow their port to wither on the vine.

Worldwide tenders for the supply, installation, and testing of a Satellite Communications Earth Station were called on Oct. 7, 1968. The award to the successful bidder is expected to be announced very soon. Four American companies participated in this bid.

The New Zealand Post Office has ambitious plans for the modernization of the country's telecommunications facilities and will be searching for considerable new equipment. As tariff preferentials for Commonwealth goods inhibit purchases from other areas, American companies can enter this market through licensing arrangements or joint-ventures with Canadian, Australian, and U.K. concerns.

Stimulated by the industrialization process under way, New Zealand is a better-and-better market for capital goods, particularly metalworking equipment and related types of machinery for industrial products. Other competing nations recognize this need, as evidenced by the preponderance of metalworking machinery and equipment exhibited at the recent Auckland Trade Fair. Also, New Zealand's first Machine Tool Show will be held in Christchurch in April to demonstrate to New Zealand industrialists the types of machine tools needed to modernize plants.

To a large extent New Zealand companies appreciate the need for greater efficiency, productivity, and rigid controls on quality. This is quickly opening up sales opportunities for electronic control and instrumentation devices. Many industrial plants, large and small, are showing a growing interest in the use of electronic gear to improve upon their operations. Exhibitors of this type of equipment at the 1969 Auckland International Trade Fair expressed satisfaction over the actual and potential sales which were generated during the relatively short run of the Fair.

Several large private firms are also well into the computer age. The United States

has supplied most of the systems presently in use, and the opportunities for follow-up sales appear promising as the market for small and medium-sized computers develops into one for larger systems.

Increased Government expenditures for science and technology should also create added requirements for electronic instruments. The Government of New Zealand embarked on a project which would subsidize industrial research and development by private enterprise. New Zealand companies undertaking industrial research and development in this country will be eligible for grants.

Current hospital and medical school developmental plans, and those scheduled for completion next year, indicate that American suppliers of this type of equipment should give this market their immediate attention. The requirements for various teaching equipment and teaching aids also appear to be growing rapidly. The hospital boards of New Zealand and the universities are the principal agencies to contact for sales of this type of equipment.

Even though the population of New Zealand is only around 2¾ million, automobile ownership is high—approximately three persons per car. Also, a significant percentage of the vehicles in use are more than ten years old, due chiefly to stringent controls on automobile imports and high price tags. The need for efficient automotive servicing is recognized, and there are a growing number of repair facilities which plan to install sophisticated testing and servicing equipment.

The outlook for the U.S. sale of popular type woven piece textile goods is not good, owing to the stiff competition from Japan, Hong Kong, Britain, and even Mainland China; but there is a growing demand for top line U.S. fabrics, such as drapery materials, upholstery fabrics, and terry toweling.

Consistently good prospects

Prospects for the sale of agricultural machinery are consistently good due to the predominance of agriculture. A good market exists for tractors, combine-harvester-threshers, baling machines, pick-up types, cleaning, grading and sorting machines. However, Commonwealth tariff preferences frequently dictate that sales be made from subsidiaries of American companies in the United Kingdom, Canada, or Australia.

Pastures which support a heavy sheep population and dairy herds are lush partly because of heavy applications of fertilizer top dressing, and herbicides to control brush and weeds. Also, the heavy animal population is carefully tended with chemical dips and veterinary medicines. Sales opportunities for agricultural chemicals should remain strong.

As an island country with a long coastline, numerous harbors, lakes, and rivers, the demand for marine equipment is very strong. The market for this type of equipment can become especially attractive as soon as import licensing controls are lifted.

The construction of a large natural gas distribution system throughout North Island, and the introduction of gas as a fuel into new areas, is sparking considerable interest in the use of gas-fired equipment and appliances.

Substantial areas reforested

There is renewed interest in the development and expansion of forest production as an export earner, due chiefly to a need to lessen dependence on wool, meat, and dairy products, which are highly susceptible to controls and price fluctuations in the world markets.

Inasmuch as Australia, Japan and South Korea now are offering good markets for New Zealand's Radiata (pine) logs, wood chips, pulp and paper products, substantial new areas are being reforested. This program is creating additional requirements for heavy-duty trucks, tractors, logging equipment, sawmill machines, and chainsaws.

While it is most difficult to sell U.S. consumer goods because of import licensing controls, there is a growth potential for these goods when offered to the larger department stores. These stores still receive a good quota of import licenses and though these traditionally have been used for purchasing from established sources of supply, chiefly in the United Kingdom, there are growing signs of interest in products from other non-traditional markets, including the United States.

A major consideration for American exporters in selling to New Zealand still is one of establishing relations with firms capable of acquiring import licenses. Fortunately, licensing controls are administered with some flexibility. An aggressive import house with the necessary drive and persistence is generally able to bring in consumer goods which remain under import licensing controls.

To keep up with advancing technology, New Zealanders recognize the need to associate themselves with foreign investors. There is a mounting interest in American investment in manufacturing activity, particularly in new industries with an export potential. American investors, as partners, will be pleased by the fair and equal treatment which they can expect to receive from New Zealand businessmen. The investment climate is good. Interest in licensing arrangements is especially high.

Foreign investment in New Zealand this past year continued to expand, but certainly not at an astounding rate. More than half of the new U.S. investment has been in mining and petroleum exploration, agriculture, development of tourism facilities, and expansion of existing facilities by American companies operating in this country. Several U.S. petroleum exploration companies, some with New Zealand partners, hold rights for exploration of New Zealand petroleum resources.

Plans for investment of $135 million by COMALCO Associate Smelters (COMAS) in the construction of an aluminum smelter at Invercargill (South Island) were approved earlier this year by the New Zealand Government. An interest of approximately 25% in this venture is held by an important American company.

American exporters are urged not to judge the New Zealand market too lightly. Instead, they are encouraged to take advantage of sales opportunities in this country for an interestingly wide range of goods. However, companies which wish to participate actively in this market will need to demonstrate a greater willingness to accept small orders, and offer plant machinery with a scaled-down production capacity.

Aggressive selling needed

U.S. exporters should be able to increase their share of New Zealand's expanding market despite the inhibiting aspects of the import licensing and tariff barriers mentioned above. Aggressive salesmanship, which fully explores possibilities for joint ventures or licensing of industrial property rights, can enable further market penetration. Imaginative distribution methods which can lower transportation costs and speed up deliveries also will go a long way to expand trade with New Zealand.

American manufacturers should continue to be aware of the need to provide service and spare parts if they are to win out in competition with major Japanese and European suppliers. Export managers who visit Australia are encouraged to include New Zealand on their itinerary and deal directly with the New Zealand representative, not through an Australian agent.

Inasmuch as 6,000 miles of water separate the United States from New Zealand, prompt replies to trade inquiries from New Zealand buyers are essential. The distance in itself slows up deliveries considerably, so delayed or incomplete replies to trade inquiries easily can result in lost sales.

A NATURAL GAS LINE is laid in a trench in the Netherlands. Natural gas is one of Holland's fastest growing industries; output is expected to reach 21 billion cubic meters this year, triple the level of 1967.

Continuing modernization boosts Dutch economy; sophisticated U.S. products have receptive markets

Common Market's farm policies may hamper some traditional U.S. exports; nation is most profitable U.S. export partner

The Dutch economy continues to develop satisfactorily, according to the semi-annual Economic Trends Report from the U.S. Embassy in The Hague. This steady growth, highlighted by impressive gains in industrial production and exports, gives every indication of continuing at a moderate rate in 1970.

Although the agricultural policies of the European Economic Community and growing trade tensions may threaten the market for some traditional U.S. exports, the rapid modernization of Dutch society offers new market opportunities for the sophisticated products of American technology.

An exhibition of U.S. maritime equipment at the Amsterdam EUROPORT show next month is based on market research that indicates a heavy demand in Western Europe, including the Netherlands, for advanced shipbuilding and shipyard equipment, advanced cargo handling equipment and deck gear, shipboard equipment, and advanced navigation and communications systems.

The Rhine River solo exhibition, a novel floating show which was due to complete its trip at Rotterdam late this month, was designed to take advantage of the high market potential for American industrial process controls and instrumentation and computers, and follows recent surveys that identified American laboratory, testing, automation and process control equipment as product lines showing the most sales promise in the Netherlands.

The growing use of labor saving devices by Dutch feeding establishments to improve the efficiency of their service suggests that a good market exists for American food service equipment for use in restaurants, hotels, hospitals, and particularly in the fast growing quick-service cafeteria sector.

The continued growth expected in industry, particularly in the chemical and petroleum sectors, and the upward trend in expenditures for research and development by both industry and government which is expected to reach $500 million in 1969, suggest possibilities of increasing the U.S. share of the market for a wide range of scientific, industrial, and technical instruments and equipment. Annual sales of products in this category are in the magnitude of about $160 million. Of this amount, about 80% is represented by imports, of which the U.S. share is approximately 20% or $26 million.

Fast growing market

There is a fast growing market in the sale of medical equipment and supplies in the Netherlands that merits the development efforts of U.S. firms. Dutch imports in this category increased from $41.2 million in 1962 to $137.1 million in 1967, but the U.S. share dropped from 3.5% to 2.5% in spite of the high interest that Dutch importers of these goods continue to show in American products.

Extensive investments expected in the graphics industry suggest the possibility of increasing the U.S. share in Dutch imports of printing and bookbinding equipment (presently about 17%). Possibly over 60% of the approximately $48 million market in the Dutch graphics industry will be supplied by imports.

The rapid growth in the number of motor vehicles in the Netherlands, which has more than doubled over the seven year period since 1960 (2,098,200 in 1967) and is expected to double again in the next five years, has created a strong

Unique investor

The Netherlands stands first among nations assisting the U.S. balance of payments in the foreign investment field. The Netherlands, which is behind only Great Britain and Canada in total investment in the United States, was alone among major investing nations in having a higher value of direct investment in the United States ($1,508 million in January 1968) than the value of U.S. direct investment in the Netherlands ($917 million).

On a per capita basis, the Netherlands has invested 20 times as much in the United States as Americans put into Holland.

demand for automotive parts, garage equipment and supplies. Furthermore, higher labor costs and shortage of skilled mechanics is forcing garage proprietors to buy more labor saving devices for the repair and maintenance of motor vehicles. Interest in U.S. products in this field is high.

A fast growing market in the Netherlands for do-it-yourself equipment and supplies, which is expected to reach about $135 million in the next few years, promises good export expansion opportunities for U.S. producers.

The high demand for office machines, equipment and supplies, which reached approximately $300 million in 1967, reflects the growing need among Dutch business firms for more efficient time and labor saving devices. The U.S. share of this market in 1967 was 21.5% of total Netherlands imports of $85.8 million. All indications point to a continued strong demand for office machines to offset by automation the severe shortage of labor.

The telecommunications equipment market (non-military) in the Netherlands appears to offer good sales prospects for American exporters, but needs renewed development.

Pollution law considered

A proposed law is being considered by the Netherlands Government to introduce broad measures for abating air pollution. The enforcement of these measures in a year or so is expected to create a large demand for anti-pollution equipment.

There is some indication that U.S. developments in the field of advanced teaching aids and equipment would find a market in Dutch education and industry.

In view of the advanced state of U.S. technology in the field of industrial safety equipment, there are excellent opportunities for American manufacturers to capture a good share of this market.

It may now be a good time to introduce laser equipment which is undergoing rapid development in the United States. This is a market which is not too developed as yet, but demand is growing in the Netherlands.

Prospects look good for U.S. exports in the fluid power equipment market, which is valued at about $13 million in the Netherlands.

The U.S. share in the Dutch market for household and office furniture has dropped from 1.6 to 0.7% in the same period, 1962 to 1967, that total imports increased 400% to $70 million. A greater share of the market might be obtained by introducing a system of shipping furniture in knockdown form for assembly here to reduce freight costs or by the introduction of good quality, but less expensive, furniture.

On the agricultural side, a strong demand for vegetable oils and protein feed ingredients should increase the imports of U.S. soybeans and soybean meal above the record levels of the last crop year. Some further loss, however, in feed grain sales, primarily corn, is expected in the current crop year, but not nearly as severe as the disastrous drop in sales that occurred in the 1968-69 crop year.

This year has witnessed an increased tempo in both Dutch investment in the United States and American investment in the Netherlands. With the continued growth of the Dutch economy and the friendly investment climate, further expansion of American investments can be expected in 1970.

Best trading partner

The continued growth and modernization of the Netherlands economy promises to keep the Netherlands our most important trading partner in the world in terms of balance of payments. Although the fifth largest market for U.S. goods in terms of value, the Netherlands is first in order of importance to the United States as a net dollar earner. U.S. exports to the Netherlands in 1968 were slightly more than triple U.S. imports from that country, according to U.S. census data.

Output is increasing

Production in all sectors of the economy should increase by an average of 5% in 1969, reflecting favorable developments in the industrial sector. Little increase is expected in the building sector, and it appears that there will be no increase in the level of agricultural production.

Industrial output should increase 9.5% in 1969, particularly in capital-intensive industries. The fastest growth has been in the output of minerals and natural gas. Output by public utilities and in the chemical industry have also made above-the-average gains.

Sales of natural gas, around 7 billion cubic meters in 1967 and 14 billion in 1968, should reach 21 billion cubic meters in 1969. Estimates for 1970 indicate the export of 10 billion cubic meters and the domestic consumption of 18 billion. Natural gas would then provide more than a quarter of the Netherlands energy needs.

The Dutch chemical industry, the fastest growing in the Organization for Economic Cooperation and Development countries, has doubled its output since 1963 and is expected to show a 15 to 18% annual increase in output in 1969, with exports up 22 to 25%. Considering the high level of recent investment in the chemical industry, production should continue to increase sharply in 1970 and beyond.

Sales by the Dutch steel industry at home and abroad should continue to expand with the extension of capacity. Sales in the non-ferrous sector should rise significantly in 1970 and beyond, partly because of the decision to establish a new aluminum smelter and an electro-zinking plant.

Textile exports are developing favorably and the rubber-processing, paper, glass and tobacco-product industries are showing good results, whereas the footwear industry has been disappointing. The interest subsidies scheme for the Dutch shipbuilding industry will be continued at least until June 1971 to bolster that sector. Coal production is dropping gradually with the last Dutch coal mines scheduled to be closed by the end of 1975.

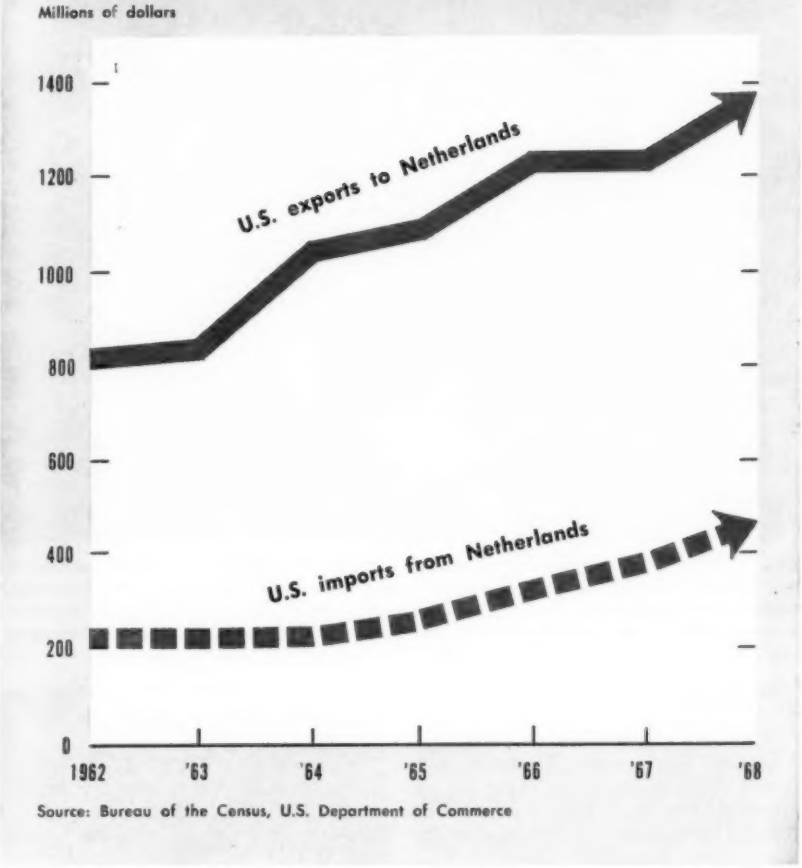
While the growth in the volume of private consumption is expected to show only a 3% rise in 1969, there has been a considerable increase in private investment in fixed assets and stocks, reflected in a strong increase in imports of investment goods, raw materials and semimanufactured products. However, relatively little increase in investment, private or Government, is expected in 1970, while stockpiling should decrease.

Based on the high level of investment in 1969, the Government thinks that production will increase considerably in 1970. The Central Plan Bureau, however, has estimated an increase in production of only 4% in 1970, below the trend of recent years. The Central Plan Bureau seems to be giving more weight to the monetary restrictions which are expected to remain in force in 1970, to the stringent budgetary policy of the Government, and to the cut in working hours which is expected.

Unemployment stays low

The number of unemployed has remained at a low level this year, though the rate varies from 4.2% in rural Drenthe to 0.9% in industrialized Utrecht. This structural problem is being attacked by investment premiums and other Government incentives for industry setting up in the under-industrialized regions. The number of registered job-offerings is far above the number of un-

U.S. widens trade gap with Netherlands



Source: Bureau of the Census, U.S. Department of Commerce

employed. The number of foreign workers in the Netherlands as of January was 82,372, chiefly Moroccans, Turks, Spaniards and Italians. The unemployment rate is unlikely to drop any further in the present circumstances and an increase in 1970 is a possibility.

Although the index for labor productivity in industry shows an almost 12% increase between March 1968 and March 1969, reflecting high production increases in such capital-intensive industries as natural gas and chemicals, the over-all rise in labor productivity in 1969 is expected to be only 4%. In 1970 a 1½% cut in hours of work should limit the increase in labor productivity to between 3 and 4%.

Balance of payments results this year are running behind 1968. The balance of the first half of 1969 on current account, transactions basis, when seasonally adjusted shows a surplus of 355 million guilders (U.S. $1.00 = 3.62 guilders), mostly because of high receipts for transit trade in the second quarter. The predicted surplus for the year, however, is not expected to exceed 300 million guilders.

The Dutch expect to maintain their competitive position in 1970 with an increase in the volume of exports of 9% (15% in 1969) and an import volume increase of 7% (11% in 1969). The surplus on current account expected in 1970 is 500 million guilders which should be offset by a deficit of the same amount on the capital account owing to the planned increase in development aid.

There has been a large increase this year in Dutch investments abroad. Dutch direct investment abroad rose sharply in the second quarter of 1969, exceeding foreign investment in the Netherlands by 420 million guilders. Security transactions in the second quarter show a deficit of 250 million guilders.

The decline in official gold and foreign exchange reserves caused by the high rates of interest abroad led to credit restrictions in June, forcing commercial banks gradually to reduce their foreign assets. In early August the Netherlands Bank increased the official bank rate from 5½ to 6%. The continued money shortage expected through 1970 should force the maintenance of the credit restrictions and high interest rates.

Inflation is arrested

The price inflation unleashed in January, with the new tax on value-added introduced when the economy was expanding rapidly and controls on wages had been eased, resulted in a 6.1% rise in the cost of living index in five months. Although rising prices are not new in the Netherlands (the period 1964 to 1968 shows a 20.2 index point rise in prices, the highest in Western Europe), this latest spurt has profoundly disturbed the Dutch body politic.

The Government intervened in April with a general price freeze that arrested the upward trend and even caused a decline. The consumer price index (1964 = 100), moved from 127.3 in April to 126.7 in August. As a result of this drop in the cost of living, the price stop was modified in September to allow "justified" increases. This measure was tied to the requirement to pass on to the consumer any decreases in costs such as might be expected to result from the devaluation of the franc.

Thus, the Government hopes to keep the consumer price rise for the year to 7%. The rise in prices affecting Government investment, however, is estimated at 10%. With substantial wage claims expected in 1970 and with the increase in the tax on value-added coinciding with a rent increase in July 1970, the Central Plan Bureau appears quite optimistic in forecasting a rise in consumer prices of only 3.5 to 4% in 1970.

In June, the Social Economic Council (SEC) made a series of recommendations to the Government designed to prevent a wage-price inflationary spiral that threatened to take off once again in 1970. The membership of the Council, which has a statutory mandate to advise the Government on social and economic matters, is divided equally among representatives of employers federations, trade unions and public members appointed by the Government. Since the recommendations were unanimous, they indicate the degree of compromise that the varying elements of

Dutch society are willing to make in cooperating to solve the problem of inflation.

In essence, the proposals are designed to keep both consumer prices and contract wage rises down to a manageable level so long as the worker is granted a real wage rise of 2.5% in 1970. Proposals to decrease indirect taxation and to delay the increase in the tax on value-added and the rent increase due January 1970 are designed to keep the rise in consumer prices to 3.5%. If this could be done, contract wage increases could be limited to 5% and still provide the 2.5% increase in real income.

Tight budget in 1970

When the Government presented its budget for 1970 in September, its proposals differed somewhat from the recommendations of the Social Economic Council. It claimed, however, that the result, a real wage rise of 2.5%, would be the same. The projected deficit for 1970 of 2,193 million guilders is 350 million guilders less than the original forecast for 1969 and 900 million guilders less than the deficit now expected in 1969.

Accepting the recommendations of the SEC, the Government plans to maintain through 1970 and 1971 the temporary increase in personal property tax and to postpone the planned gradual elimination of the purchase tax. The Government also agreed to postpone the rent increases to July 1, 1970, though this will put a damper on construction with only 125,000 new dwellings forecast for 1970. In addition, the Government is maintaining the present corporation tax of 46% and is postponing until 1971 the restitution of turnover tax on stocks held when the tax on value-added was introduced.

The Government tried to reach a compromise on two proposals of the SEC that it felt it could not wholly accept. Although both labor and employers oppose any increase in the tax on value-added, the Government felt that an increase in revenue from this source was essential. The 1% increase in the tax on value-added was postponed, however, from January to July, and a number of processed foodstuffs were designated for the lower tax rate to lessen the impact of the tax rises on consumer prices.

The Government also compromised in the matter of the wage and income tax, which was to be reduced by 1 billion guilders at the beginning of 1970. A reduction in this tax was considered to be a political necessity to satisfy the demands of the Liberal Party, a member of the ruling coalition. The budget calls for the implementation of two-thirds of the planned reduction in 1970 and the other third in 1971.

AT A "DUTCH TREAT" INVESTMENT LUNCHEON in Boston, John Hafkemeijer, Netherlands Industrial Commissioner, center, tells Rear Admiral Harry Hull, left, and Page B. Pratt, officials of the International Center in New England, that 21 firms from that area now operate subsidiaries in the Netherlands. Holland is the only major investing nation that has sent more direct investment funds to the U.S. than it has received.

The Government's wages policy, on which the containment of inflation now largely depends, has come under serious attack. At first, trade union leaders hinted that the Government's failure to adopt the whole Social Economic Council package meant that they were not bound to moderate wage demands to the recommended level.

Then the trouble began

Real trouble started when the Government introduced a bill that would authorize the Minister of Social Affairs to declare collective labor agreements invalid if required in the "social-economic" interest. This measure seems to be a response to the criticism that the Government received from the business sector when it imposed a price freeze this year without a corresponding wage freeze. Labor protested vehemently at this threat to the system of free wage bargaining that has been in effect since January 1968. The Government was driven to the threat that the Cabinet would resign in order to get the measure passed by the Second Chamber of Parliament, but agreed to an amendment providing that any increase declared excessive by the Government might be converted into non-cash improvements, such as savings or pension benefits.

When the Chamber passed the bill, the largest trade union federation declared that it would no longer participate in future consultations on wages with the Government in trade and industrial organizations such as the Social Economic Council and the Labor Foundations. The second largest trade union federation followed suit in regard to any consultations on wages. The withdrawal of the unions representing the bulk of organized Dutch labor from consultations that have characterized the unique Dutch approach to labor-management cooperation since World War II threatens a confrontation between Government and labor that would invalidate the assumptions on which present wage and price forecasts are based.

Success in containing inflation will depend on how the unions channel the growing militancy in labor ranks. Before the withdrawal of the unions, the Social Economic Council announced surprise agreement on recommendations for a new company law that would give employees a share in naming the boards of directors of the larger firms. Whether this will satisfy demands for "participation" remains to be seen.

Netherlands unit helps small firms solve big problems

Consulting service also provides laboratories to would-be inventors

The Netherlands Government provides a consulting service to provide free help to small Dutch firms which have organizational problems but cannot afford to hire management consultants. The organization will also help would-be inventors perfect their products in state laboratories.

Known as RND (Nederlandse Rijksnijverheidsdienst), the Netherlands Industrial Consulting Service is a governmental office affiliated with the Netherlands Ministry of Economic Affairs.

Although all companies, regardless of size, are eligible to request RND aid, the main recipients of information have been concerns which are unable to employ their own staffs of technical and management experts. However, the larger concerns and institutions do come to RND, mainly for searches of technical literature.

Problems of all kinds can be discussed with one of 20 industrial consultants, such as those relating to technology, composition, production, purchasing, financing, patents, exports and licenses. If the nature of the subject is too complicated or far afield, the consultant will refer it to one of the many government, quasi-public, or private bodies active on behalf of industry, with which RND maintains close contacts.

New product development

The Government Industrial Laboratory (RNL) in Delft, set up in 1913, is a well-equipped workshop containing an extensive collection of measuring instruments. The object of this laboratory is to develop—in conjunction with and on behalf of an industrial enterprise—prototypes of machines and equipment in a number of fields, including electrical engineering.

Many an idea which occurred to a manufacturer has resulted in the creation of a machine which, without the RNL, would probably never have reached the development stage. In recent years, the RNL has developed several machines and items of equipment for the mechanization and automation of processes and manufacturing steps. The materials and components involved are charged to the inventor at cost.

Lebanon records economic gains but outlook depends on settlement of political uncertainties in area

Problem of continued regional instability, compounded by domestic political strife, may adversely affect economy

Although most Lebanese economic indicators presently available show significant statistical gains through the first half of 1969, both domestic and international political uncertainties obscure the immediate future, says the annual Economic Trends Report from the U.S. Embassy in Beirut. Continuing instability in the Near East, compounded by internal political struggles which have prevented the formation of a new Government to replace the Cabinet which resigned almost six months ago, have led many observers to fear a deterioration of the Lebanese economy.

During the summer Lebanese businessmen became accustomed to the tense political atmosphere and a "business as usual" attitude prevailed, although new capital investments from domestic and foreign sources shrunk seriously. The outlook for the Lebanese economy rests basically on settlement of the outstanding political problems in the Middle East resulting from the June 1967 war.

Lebanon is a continually growing market for foreign goods. The country imports 4 to 5 times its total exports. Imports increased by approximately ⅙ from 1967 to 1968. The average annual increase in the value of imports from 1963 to 1966 was 26%. Customs revenue figures from the first seven months of 1969 suggest that imports have increased 25% over the same period last year while American imports into Lebanon increased by only 8% for the first six months of 1969 over the corresponding period in 1968.

Competition makes headway

A prime factor in the apparent decreasing U.S. share of the Lebanese market is stiff price competition from European suppliers. The U.S. share of the Lebanese market for consumer goods is probably shrinking faster than the above figures indicate because U.S. export statistics to Lebanon in 1968 and 1969 were substantially boosted by civilian aircraft sales which probably will not be equaled during 1970.

Over 460 American companies now have regional offices in Beirut, a net increase of 70 during the last 1½ years. However, during the last six months there has only been a net increase of 10 firms, due to increasing political uncertainty, whereas there had been a net increase of 60 firms between February 1968 and February 1969.

Most of these offices are primarily concerned with sales and service in the wider markets of North and East Africa, the Middle East and South Asia. Many international businesses have established regional operations in Lebanon because of its transportation and communications facilities, pleasant climate and living conditions, stability, free enterprise system, and tax and other incentives offered to foreign businesses. The expenditures of the employees of these organizations are important to both consumption and the balance of payments. Operations in this category could almost be considered a separate economic sector.

Direct American Investment in Lebanon exceeds 115 million dollars. Traditionally, much of this investment has been concentrated in petroleum transport, refining, and distribution. In recent years the pattern has broadened to include light manufacturing and assembly and food processing. Particularly notable is the increased number of financial institutions—banks, stock brokers, mutual fund sales organizations and insurance companies. More than 13 American banks have branches, representative offices or own significant participation in Lebanese banks. Financial institutions are attracted to Lebanon because of the importance of the Middle East in the world monetary system and in order to serve regional business concentrated in Beirut.

Industrial production and industrial exports have increased significantly since 1967. Industrial exports in 1968 were 46% higher than in 1967. First half exports in 1969 were 20% higher than in the corresponding period in 1968.

A recent survey of 70 industrial firms

in Lebanon by American University of Beirut tends to confirm that industrial production for the domestic market is quite active. Firms surveyed in textiles and related industries were operating at full capacity on a three-shift basis. Managers of these firms earlier this year were confident that they would double production without marketing problems.

However, Lebanon's trade relations with Saudi Arabia, Iraq, Jordan and Iran have recently worsened due to political problems. Solution of these trade problems, domestic political stability and additional governmental incentives are necessary if the present rate of industrial development is to continue.

Transit trade volume continues at a high level due to the continued closure of the Suez Canal. It is not clear how much of this transit trade Beirut can hold after the canal is reopened. Triangular trade may be extensive, but its size and character are difficult to ascertain.

Data not available

Comprehensive retail sales data for most consumer products are not available. However, local businessmen say that sales of autos, airconditioning, tobacco and pharmaceuticals are good. Food product sales are holding up satisfactorily. Appliance sales were good early in the year but during July and August they slumped. Retailers' present complaints center on the difficulty of making future commitments for normal inventory requirements in the present atmosphere of uncertainty.

Total tourist revenue for 1968 was estimated by the Lebanese Government at $117 million—$13 million higher than the previous record year of 1966. During the first seven months of 1969, tourist arrivals were 12% higher than in the corresponding period in 1968. However, studies prepared by the National Council of Tourism reveal that individual tourists are spending less in 1969. Therefore, income from tourism in 1969 is likely to be about the same or slightly below 1968.

Regional political problems have altered the pattern of Lebanese tourism. Political uncertainty in the area resulted in approximately a 50% drop in the number of tourists traveling in organized tours. This drop was more than compensated for by increases in other categories, although hotels catering to group tours, particularly along the beaches, have suffered greatly.

The continuing increase in the number of Arab tourists visiting Lebanon during 1968 and 1969 is the reason for the recovery in tourism after the June 1967 war. There are fears, however, that continued tensions in the Near East will have an adverse effect during the coming year on this lucrative source of income.

Lebanon is one of the few countries in the world that has passed through a sustained period of economic growth (from 1956 to 1966) with substantial price stability and minimal resort to deficit financing. In the budget from 1965-67, however, expenditures exceeded revenues by approximately 5.5%. Following the June 1967 war, the Government adopted austerity measures. Though the 1969 budget is described as balanced, most observers feel that revenues were overestimated and that deficit financing will be required.

However, total governmental debts and budgetary deficits are small when compared with current revenues. Whether such a "classical" balanced fiscal policy is entirely appropriate during a period of reduced economic activity is a subject of debate. The projected 1970 budget is about 10% above the 1969 budget.

Mixed performance

American exports to Lebanon may reach a record level in 1969 judging by sales during the first half of the year. However, the U.S. market share, despite record U.S. sales, appears to be declining.

U.S. manufacturers can compete in the Lebanese market with quality products, well-known brand names or technologically advanced products. Included among export prospects are opportunities for the sale of American equipment in the Lebanese infrastructure development program, particularly in transportation, communications, construction and sanitation.

Monetary Policies of the Central Bank might be best described as laissez-faire. Although the semi-official rate of exchange is Lebanese pound 3.08 $1.00, the Central Bank permits the exchange rate to fluctuate freely with only occasional interventions in the foreign exchange market by the Central Bank. (There are, of course, no exchange controls).

In order to halt a depreciation of the Lebanese pound caused by capital flows attracted by the high Euro-dollar interest rates, the Central Bank imposed a 2½% reserve requirement on the banking sector earlier this year, with a second 2½% increase called for by Oct. 31. This action stabilized the exchange rate by reducing liquidity and putting upward pressure on interest rates—particularly in the interbank market.

The depreciation of the Lebanese pound from 3.15 to 3.26 per dollar has increased the prices of imported goods and encouraged exports and local industry. The depreciation of the pound has had little effect on the foreign reserve position of the Central Bank and commercial banks. Central Bank instruments of monetary policy have been strengthened by the imposition of reserve requirements, although Central Bank powers are severely restricted by legal limitations on its ability to discount commercial paper from the banking sector.

The money supply has only increased by 1% over the corresponding period in 1968. However, currency in circulation has increased by 7%, which has been offset by a 4% decline in demand deposits. Foreign exchange cover for the money supply is approximately 45%. Money in circulation is 92% covered by Central Bank foreign exchange and gold holdings, which is one of the highest rates of coverage in the world.

After the Oct. 1966 closure of Intra Bank—the largest Lebanese bank—the Central Bank made exceptional advances to the banking sector to prevent the closure of additional banks. However, the Intra closure seriously affected regional confidence in Lebanese banking and caused a recession which was further compounded by the Arab-Israeli war in June 1967.

The Lebanese Government has acted to encourage domestic confidence in the banking sector since then through stricter banking controls, through a deposit insurance system, through measures for refloating of Intra, and the takeover of ten weak banks as well as the provision for voluntary liquidation of others. As a result, the number of banks in Lebanon has been reduced from 93 to 71. In the takeover of these ten weak banks, protection of depositor interests was provided. These measures overall have been of importance in making the banking sector healthier.

Stricter banking controls and the lesson from Intra Bank on the danger of holding portfolios of non-liquid assets has led to tighter credit standards. Before the Intra crash a substantial amount of medium and long term financing was executed through renewal of short term credit instruments. Tighter credit standards have caused considerable discomfort among importers and the construction sector. No system exists for the discounting of installment purchase paper of over 90 days; thus, the retailer must carry the credit risk and this tends to distort his balance sheets. The Lebanese Government rec-

ognizes the need for additional sources of domestic medium and long term credit and discussions concerning means of establishing a development bank continue.

The volume of bank loans and advances is a healthy 16% higher for the first 7 months of 1969 than for the corresponding period in 1968. The interest rate differential between Lebanese pound deposits and foreign currency deposits has tended to increase foreign currency deposits and decrease Lebanese pound time deposits. Interest rates on loans of both foreign currency and Lebanese pounds have increased, and substantially reduced the interest rate differential between the Eurodollar and local money markets which was a major factor in inducing capital transfers during early 1969.

Construction in doldrums

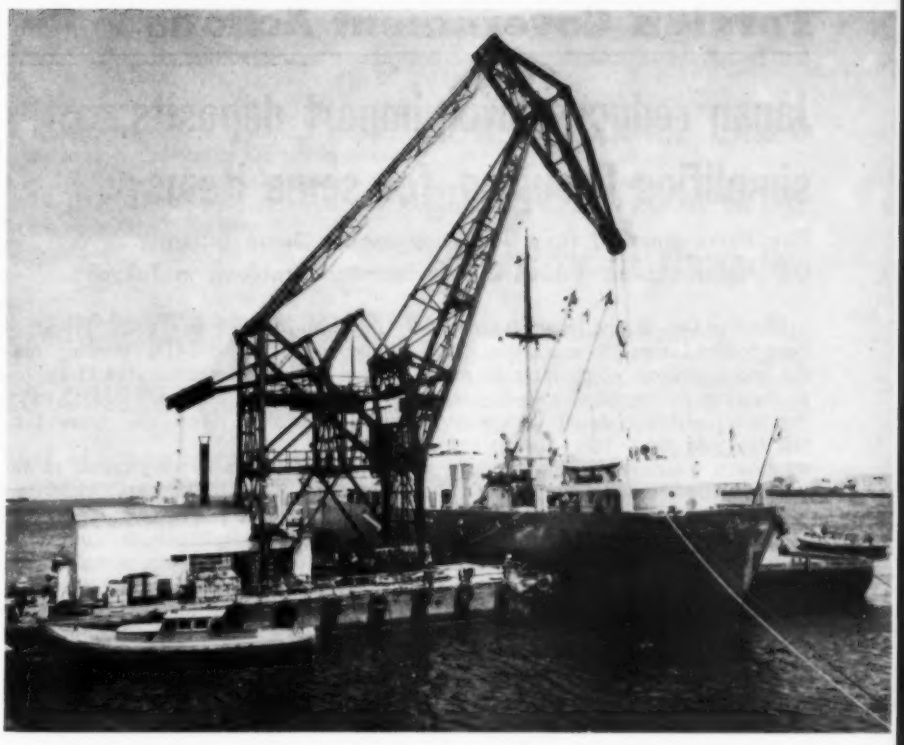
New construction activity in major Lebanese cities is substantially below the boom level of 1966. As national income accounts for 1967 and 1968 are not yet available, the true extent of the construction slowdown in 1967 and 1968 cannot be assessed. Economic indicators do not show actual starts.

Cement production in 1968 dropped substantially from 1967 but has recovered moderately during the first half of 1969, partially because of exports to Syria. The number of building permits issued in 1968 and the first half of 1969 continue at the depressed level of 1967.

Problems of the construction sector are prominent in the conversations of Lebanese businessmen. Usually the tightening of credit is blamed. This is only partially correct. Certainly, since the Intra crash, commercial banks are no longer building apartments and office buildings as direct bank portfolio investment.

Regional market center

The Lebanese market for imported goods is more important than the volume of imports (over $500 million total imports) alone indicates. The range of consumer goods available in the Lebanese market is far greater than in other nearby Arab markets. Arab visitors to Lebanon (over 1,217,000 in 1968) are exposed to products in the Lebanese market and their consumption tastes are influenced when they return home. Consequently, product acceptance in the Lebanese market often leads to product demand in the wider regional market.



THE MODERN BEIRUT PORT has operated at record levels since closure of the Suez Canal. The port's facilities, including the heavy lift floating crane pictured, are utilized for transit trade to Arab countries.

Other factors which explain the former boom and the present slowdown are: (1) the particularly heavy flight of capital brought into Lebanon by wealthy Syrians, Iraqis and Egyptians in the late fifties and early sixties; (2) capital inflow from Kuwait and the Arabian Peninsula which was attracted to visible and tangible real estate investments, perhaps without sophisticated calculations of return; and (3) by 1966 the Lebanese construction market appeared to be overbuilt.

Even without the Intra bank crisis and the June war the construction sector probably would have turned sharply downward in 1967 or 1968 as higher rates in Europe diverted capital from Lebanon.

Slow recovery likely

Recovery in the construction sector probably will be slow, although there are indications that construction may be more active than indicated by official statistics. The sector, however, will be aided by major new governmental construction projects with international financing.

The construction downturn has had only minor repercussions on the local labor market, as most of the construction workers were transient Syrians.

Agriculture is an important element in the Lebanese economy, absorbing nearly 50% of the labor force. Lebanon exports approximately 25% of its agricultural output and this 25% is approximately half of all Lebanese exports. Lebanon primarily exports fruit and poultry products to countries in the Arab world.

The upward trend in Lebanon's fruit exports will end temporarily in 1969 due to severe weather damage. The reduction in apple production will be a mixed blessing as Lebanon has had increasing problems during the last several years in marketing apples. No serious balance of payments problems are anticipated as a result of this temporary decline in fruit exports.

Poultry product exports, which expanded rapidly for 5 years preceding the June war, have stabilized. Further agricultural growth is limited due to slow technological progress, lack of sophisticated marketing techniques, lack of adequate agricultural credit facilities, and the need for coordinated planning—particularly for utilization of water resources.

Lebanon is a net importer of cereals and dairy products. U.S. suppliers sell cereals to Lebanon, but cannot meet price competition on dairy products. American tobacco products dominate the Lebanese market and sales are increasing.

Japan reduces prior import deposits; simplifies licensing for some items

Five items removed from Japanese Import Quota listing; U.S.-Japan representatives discuss licensing problems in Tokyo

Effective Oct. 20 the Japanese Government reduced from 5% to a uniform 1% the import deposit which must be made at the time an import license is issued. Previously, although the 1% rate was applicable for most raw materials and machinery, a number of other products—largely consumer items—were subject to a 5% levy.

Moreover, the 5% deposit was required in cash, while the 1% deposit, now uniformly applicable, can be in the form of cash, eligible securities, or bank guarantees. The deposit is returned when at least 80% of the licensed import has cleared customs.

Earlier, effective Oct. 1, Japan had simplified the licensing procedure for more than 100 items by shifting them from the Automatic Import Quota (AIQ) licensing system to the Automatic Approval (AA) system. Under the AA system an importer applies directly to a foreign exchange bank for an import license, which is automatically granted. Under the more cumbersome AIQ system, the importer is first obliged to apply to the Ministry of International Trade and Industry (MITI) for an import quota allocation certificate, which in turn entitles the holder to automatically receive an import license from a foreign exchange bank. Transfer of these items from the AIQ to the AA system thus eliminates one step in the licensing procedure.

According to the Japanese Government's calculation, 133 items have been transferred from the AIQ list, reducing the number still subject to AIQ procedures from 253 to 120. Transferred products include certain types of industrial machinery, agricultural machinery, machine tools, pumps, special-purpose trucks, photographic equipment, testing and optical appliances, radio and television receivers, non-ferrous metallic products, and fertilizers.

Five items liberalized

Also effective Oct. 1, the Japanese Government removed five items from the more restrictive Import Quota (IQ) list. The items are, with BTN numbers given in parentheses: brandy (ex. 22.09-1-(2)), liqueurs (ex. 22.09-2-(1)), printing machines and parts thereof (84.35-1), industrial sewing machines (84.41-1(2)), and thermionic valves and tubes (ex. 85.21-1).

The first two items were shifted to the Automatic Approval system while the latter three were placed on the AIQ list. On a BTN four-digit basis, the number of items on the IQ list, as calculated by the Japanese Government, is now 118.

The foregoing actions by Japan were taken against the background of the latest in a series of bilateral discussions between representatives of the Japanese and U.S. Governments concerning Japan's import licensing system. A U.S. delegation, headed by Philip H. Trezise, Assistant Secretary of State for Economic Affairs, met with a Japanese Government group in Tokyo the week of Oct. 6. The U.S. side consisted of representatives of seven government agencies, including Lawrence A. Fox, Deputy Assistant Secretary of Commerce for International Trade Policy. The Japanese side was headed by Haruki Mori, Deputy Vice Minister for Foreign Affairs.

Although most commodity details of the government-to-government discussions were not released, an intensive review was undertaken of those commodities on Japan's IQ list (both industrial and agricultural) which are of particular interest to U.S. exporters. At the same time, the U.S. delegation emphasized the importance of a firm timetable under which all items on the IQ list would be liberalized and the entire import licensing system ended. The Japanese side publicly reaffirmed the Government's previous announcement that the number of items under residual import restrictions (IQ control) would be reduced to half or less by the end of 1971.

Germans suspend taxes

In order to ease the effect of the 'floating' German mark (see *International Commerce* of Oct. 6) on foreign trade transactions, the German Cabinet suspended until Nov. 30 the special 4% export tax (2% on many agricultural items) and the 4% import bonus (2% on many agricultural items) introduced in Nov. 1968. These measures were intended as a substitute for revaluation of the German currency. Most German foreign trade circles expect that last year's law imposing these border tax adjustments will be formally repealed before the end of November.

New mining laws announced by Peru

The Peruvian Government has promulgated three decree laws pertaining to the mining industry, including one law designed to force into production several large copper concessions held by U.S. companies. The Government is trying to expedite mining contracts and exploitation programs as a needed boost to the lagging economy.

Applicable to large unworked deposits is the new Decree-Law 17792, which requires submission of a schedule of operations for projected exploitation by December 31, 1969, initiation of work according to the schedule by April 1, 1970, and actual exploitation within five years of submission of the schedule. The Decree-Law appears to give the Peruvian Government enough flexibility to modify the deadlines for initiation of work and exploitation in individual contracts negotiated for each large concession. Failure to meet the deadlines in the Decree-Law or in a specific exploitation contract will cause the concession to lapse.

Decree-Law 17791 is aimed at promotion of the mining industry, especially small and medium mines. It creates a "Mining Fund" in the State's Mining Bank for this purpose and "to increase the direct participation of the State in the activities of mining enterprises." It provides investment and customs incentives.

Decree Law 17793 amends the Mining Code to reduce the maximum area of a single nonferrous mineral concession.

Copies of the decree-laws may be obtained from the American Republics Division, OIRE, U.S. Department of Commerce, Washington, D.C. 20230.

Licensing controls dropped on more New Zealand imports

Approximately $75 million in annual import trade will be freed from import controls by the New Zealand Government effective July 1. The Oct. 2 edition of the *New Zealand Gazette*, the official Government publication, contained the "Notice of Proposed Exemptions from Import Licensing." When effective, these exemptions will raise the percentage of trade free from import licensing from the current 58% to 68%. Less than three years ago, two-thirds of all New Zealand imports required licenses.

New Zealand manufacturers of goods similar to those which are included in the new list, who consider that they may be adve sely affected by the exemption of any of these items, may make representation to the Comptroller of Customs until Jan. 2. If no objections are received, the goods in the list will become exempt from import licensing controls on July 1, 1970.

Exemptions listed

The exemptions include certain types of canned fish; artists' colors; sensitized paper, plates, and film; rubber products, including certain sizes of tires and tubes; plastic raw materials; wood products; iron and steel bars; rods, plates, angles, sheets, and structural shapes which are not locally produced; internal combustion engines and parts; computers; hand tools incorporating a self-contained electric motor; measuring and controlling instruments; musical instruments; dictating machines; snow skis; fountain pens and pencils; and sealing wax.

Interested U.S. suppliers may obtain a copy of the proposed exemptions from the Far Eastern Division, BIC-892, U.S. Department of Commerce, Washington, D.C 20230.

Germans pass law regulating operations of mutual funds

After a lengthy legislative process, the law regulating operations of foreign mutual funds doing business in the Federal Republic of Germany has been passed by the Bundesrat. It was published in the *Bundesgesetzblatt*, Part I, of July 28, and will become effective on Nov. 1.

A loan copy of an informal English translation of the text of the law is available from the European Division (BIC-888), U.S. Department of Commerce, Washington, D.C. 20230.

France takes moves to bolster franc

Bank of France discount rate raised and credit is tightened

In an effort to bolster the franc and to counter speculation spurred by the temporary freeing of the German mark from fixed parity, on Oct. 8 the Bank of France raised its basic discount rate from 7% to 8%. At the same time the Bank promulgated various other measures designed to further tighten domestic credit. These credit restraints include:

► An increase in the interest rate on loans against securities from 8.5% to 9.5%;

► A limitation on rediscounting facilities for medium-term loans for construction and for capital goods. Such facilities will be available henceforth for the two nearest annual maturities instead of three. On the other hand, certain categories of loans for construction will continue to be rediscounted by the Bank of France at the previous rates; and

► An increase in the mandatory holdings by banks of medium-term paper from a level of 14% to 15% of each bank's liabilities in the form of demand deposits.

Additional measures

In addition to these measures, the Minister of the Economy and Finance, Valery Giscard d'Estaing, has announced further restrictions on credit and indicated that they will be strictly enforced. Thus, quantitative restrictions on bank lending will be extended through the first six months of 1970. Certain types of loans previously exempted from quantitative restrictions will be henceforth subject to restrictions.

Furthermore, banks which violate credit restrictions will be required to make penalty deposits with the Bank of France. The amount of these deposits—which will bear no interest—will be determined in each case by the seriousness of the violation.

New consumer unit gets some food-drug authority in Canada

Certain responsibilities relating to foods, as prescribed by Canada's Food and Drugs Act and Regulations, have been transferred from the Food and Drug Directorate of the Department of National Health and Welfare, to the Bureau of Consumer Affairs of the Department of Consumer and Corporate Affairs.

As a result of the changes, U.S. exporters should direct inquiries on the following matters to the Bureau of Consumer Affairs, Department of Consumer and Corporate Affairs, Tunney's Pasture, Ottawa 3, Ontario.

► The review of the labeling, advertising, and packaging of foods and the interpretation of regulations relating to food composition as required for these purposes.

► The interpretation, development, amendment and enforcement of Food and Drug Regulations, concerning labeling, advertising and packaging of foods.

► The enforcement of regulations dealing with economic fraud in foods.

Inquiries regarding the following matters should be directed to the Food and Drug Directorate of the Department of National Health and Welfare, Tunney's Pasture, Ottawa 3, Ontario.

- The composition of foods from the standpoint of technological justification and safety including food ingredients, food additives, and the addition of vitamins, minerals or amino acids to foods; microbial content; and pesticide residue tolerances;
- The interpretation, development, amendment, and enforcement of regulations regarding the composition of foods from the standpoint of technological justification and safety;
- The enforcement of regulations dealing with health aspects of foods;
- The test marketing of foods.

The transfers described above relate only to Canada's Food and Drugs Act, and not to responsibilities arising from other legislation administered by the Department of Agriculture or the Department of Fisheries and Forestry, including the Meat and Canned Foods Act; Fruit, Vegetables and Honey Act; and the Processed Food and Vegetable Regulations.

Investors in West Berlin get special financial, tax, trade and worker benefits

Firms making high unit-cost items with markets outside city are most wanted, particularly electronics, precision instruments, paper, chemicals

To stimulate investment in West Berlin, Federal German laws provide various forms of financial support and a number of tax reductions to German and foreign companies opening new or expanding existing industrial and business operations.

As outlined recently by Berlin's Senator for Economics, preferential treatment will be awarded to research-oriented industries with limited requirements for factory space and labor. Industries desired are those manufacturing high unit-cost products suitable for air shipment with markets mainly outside West Berlin.

Favored industries include: electrical and electronic equipment and appliances, optical and other precision instruments, apparel, leather products, textiles (especially synthetic fibers), printing, paper and allied products, chemicals, furniture, and food processing machinery.

U.S. companies considering investment in West Berlin may want to explore the possibility of loans in local currency from German counterpart funds provided for under the European Recovery Program. These loans are available at favorable terms—as of early September they were 4% per annum to redemption within ten years—to finance industrial investment and specified preferred business operations.

Supplementing the counterpart funds, two banks, the Berliner Industriebank AG., 1 Berlin 33, Kranzestrasse 7-9, and the Deutsche Industriebank, 1 Berlin 12, Hardenbergstrasse 11, Germany, grant loans at current rates from special deposits which enjoy tax benefits in accordance with the revised Berlin Aid Law of Oct. 1, 1968.

Applicants for loans for investment or working capital may benefit from public guarantees covering up to 90% of any loss to the lending institutions. Orders from the Federal Republic of Germany and specified orders for capital goods manufactured in West Berlin can be financed with domestic bank loans in the amount of 50% of the purchase price.

Tax privileges under the Berlin Aid Law include depreciation allowances of up to 75% for the manufacture or acquisition of movable equipment and for the manufacture of immovable capital goods. In addition, tax-free investment bonuses of 10% (25% for manufacturing industry) are granted for the purchase or manufacture of depreciable, movable plant equipment. If such equipment serves research and development, the investment allowance is increased to 30% of the manufacturing cost or purchase price.

Long-term investments by companies and individuals are 10% tax deductible (12% after Dec. 31); if applied to public housing, the tax deduction is 20%.

Firms engaged in manufacturing in West Berlin receive a special 4.2% turnover tax credit on goods or components made in West Berlin and shipped to consignees in the Federal Republic. A similar tax credit is granted to buyers of West Berlin products in the Federal Republic, thus constituting a bonus totaling 8.4% of the net value of these supplies. Income and payroll taxes in West Berlin are 30% lower and corporate taxes are about 26% below the regular German rates.

Complementing these benefits, postal and telephone rates between West Berlin and the Federal Republic are reduced, and special arrangements provide for compensation and guarantees for added freight costs.

To attract workers to West Berlin, wages are supplemented by tax-free government bonuses; interest-free loans are available to newly married couples, and compensation is paid for moving and travel expenses from the Federal Republic of Germany to West Berlin.

A more detailed summary of these benefits (in English) has been published by the West Berlin Senator for Economics. A copy is available from the European Division, (BIC-888), U.S. Department of Commerce, Washington, D.C. 20230.

Investment Assistance

To receive follow up assistance and general information about investment abroad telephone: 202-967-3786 or write: Office of International Investment, Department of Commerce (BIC-878), Washington, D.C. 20230. "P" numbers should be used when writing about specific proposals.

WTD indicates that a World Trade Directory Report containing financial and business background information on the foreign firm is available for $2 from the Department of Commerce (BIC-924), Washington D.C. 20230 or the nearest Department of Commerce Field Office.

The licensing and joint-venture proposals listed in this section are published as an informational service for U.S. firms interested in overseas affiliations. Companies responding to these opportunities should be cognizant of the present mandatory investment regulations administered by the Office of Foreign Direct Investments, U.S. Department of Commerce, Washington, D.C. 20230.

Luggage hardware company seeks ties with U.S. firms

A German manufacturer of locks, handles and other hardware for luggage and leather goods seeks licenses from U.S. hardware producers. The German firm employs about 150 and has increased its volume of business considerably over the past few years.

Write: S. Franzen Soehne, 8 Feuerbachstr., 565 Solingen-Wald, Germany. WTD. **P-70231.**

Expansion through U.S. ties sought by Zurich paint firm

An established Swiss paint manufacturer seeks to expand its product line through licensing agreements with U.S. firms. The Zurich company is interested in the manufacture of packaging and coil coatings, industrial finishes, traffic paints and decorative products. The firm has about 85 employees, including 10 traveling salesmen.

Write: Standard Lack-und Farbenwerke AG, Max Hoeggerstrasse 74, 8048 Zurich, Switzerland. WTD. **P-70239.**

World Trade Opportunities Continued through page 35

The firms and individuals in the following lists are interested in trade relations with U.S. businessmen. The commodities in which they have expressed interest are indicated by the numbers preceding the commodity classification. The three-digit numbers and commodity classifications are from the Standard Industrial Classification (SIC) Manual. The five-digit numbers under each heading are from the Numerical List of Manufactured Products, 1967 Census of Manufacturers, Bureau of the Census and are used extensively by government and industry in classifying products.

U.S. firms should also be aware that the listing in INTERNATIONAL COMMERCE of opportunities to trade in specific commodities and technical data does not necessarily imply approval of their export by the U.S. Department of Commerce pursuant to the U.S. Export Control Act. For applicable export licensing regulations and policies, see the *Department of Commerce Export Control Regulations* or consult the Bureau of International Commerce's Office of Export Control or any Department of Commerce Field Office.

NOTE: The SIC Manual is available for $4.50 per copy and the Export Control Regulations are priced at $12 for the year. Both publications may be ordered from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, or any of the 42 Department of Commerce Field Offices throughout the United States.

Every effort is made to include only firms or individuals with good reputations. However, the Department of Commerce cannot be responsible for any trade relations.

● indicates that the trade opportunity represents a request for bids by a foreign government agency. A (★) following indicates that additional information may be borrowed by firms located in the U.S. from the Business and Defense Services Administration (BDSA), U.S. Department of Commerce, Washington, D.C. 20230; telephone numbers indicated. To avoid delay, requests for loan material should specify country and commodity.

★★ indicates opportunities obtained by U.S. trade missions to other countries. A (★) following these indicates that additional information may be obtained by writing the International Liaison and Trade Opportunities Staff, BDSA-541, U.S. Department of Commerce, Washington, D.C. 20230. The TM (trade mission) number is requested in correspondence. Requests for loan material should specify country and TM number.

WTD indicates that a World Trade Directory report is available on the foreign firm for which the trade opportunity is listed. These reports, indicating type of organization, sales territory, size of business, sales volume, trade and financial reputation, and other factors, are available for $2 each from the Bureau of International Commerce, BIC-924, U.S. Department of Commerce, Rm. 6059. Telephone: 202-967-4203. The date following the letters WTD refers to the date of issuance of the report. If WTD is in preparation, action will be completed on a priority basis upon receipt of request specifically identifying the trade opportunity involved.

Sales Leads for Exporters

Listed below are companies interested in buying U.S. products. Direct purchases are wanted unless a desire for an agency agreement is expressed.

098 Fish hatcheries

09890—THAILAND—Sea fish for domestic aquarium. V. P. Pharmacy R.O.P. (importer, distributor), 145-149 Chakrawad Rd., Siyak Wak Tuk, Bangkok. WTD in preparation.

131 Crude petroleum and natural gas

● **13100—LIBERIA**—Government of Liberia announces bids are invited for granting of concessions for exploration and exploitation of petroleum in Area "C" which lies between Areas "A" and "B", which were opened for bidding on May 31. Tender No. N.A., bid deadline Oct. 31. Applicants may purchase from Lockwood, Kessler and Bartlett Co., 1 Aerial Way, Syossett, N.Y. 11791, survey covering Area "C". For additional data contact the Secretary, Department of Planning and Economic Affairs, Monrovia, Liberia.

201 Meat products

20119—JAPAN—Cattle hides (steers, heifers, cows with heavy and medium weight). Midori Bussan Co., Ltd. (importer), 3-4 Hiroo 5-chome, Shibuya-ku, Tokyo. WTD in preparation.

229 Miscellaneous textile goods

● **22900—BURMA**—Varying quantities of dryer canvas and felt for manufacture of sulfate, bleached writing and printing paper. Bid deadline Nov. 15. Bids to be addressed to the General Manager/Secretary, Paper Factory and Chemical Industries Board, Union of Burma Applied Research Institute Building, Kanbe, Rangoon, Burma. Tender documents available from the Office of Textiles, Room 5026, Department of Commerce, Washington, D.C.★ (202-967-5238).

242 Sawmills, planing mills

24210—ITALY—Lumber for wood, furniture industries. Societa' d'Esercizio Olivero Giovanni dei F.lli Olivero (manufacturer), Via Alasia 25, Sommariva Bosco (Cuneo). WTD 10/69.

243 Millwork, veneer, plywood, prefabricated structural wood products

24310—ITALY—Semi-finished wood products for wood, furniture industries. Societa' d'Esercizio Olivero Giovanni dei F.lli Olivero (manufacturer), Via Alasia 25, Sommariva Bosco (Cuneo). WTD 10/69.

281 Industrial inorganic and organic chemicals

● **28100—NEPAL**—Complex fertilizer (20:20:0) 3,000 metric tons, complete fertilizer (approx. 2:2:1) 1,000 M.T., white crystalline ammonium sulphate (21% nitrogen) 5,000 M.T., and prilled urea (46% nitrogen) 1,500 M.T. All fertilizers should be shipped in polyethylene lined jute bags containing 50 Kg. net. Supplier required to furnish 1% empty spare bags free. Sealed quotations c.i.f. Calcutta for overseas suppliers or f.o.b. Raxaul Indian Suppliers. Quotations should be accompanied by certificate of analysis and bank guarantee valid until Apr. 30, 1970, at rate Nepal rupies 50 ($5.00) per 100 tons. Bid deadline Nov. 2. Bids should be submitted to the Chief, Procurement and Sales Section, Agricultural Supply Corporation, Central Office, P.O. Box 195, Kathmandu. Chemicals Division, BDSA-665, U.S. Department of Commerce, Washington, D.C. 20230.★ (202-967-3420).

283 Drugs

28340—NIGERIA—Pharmaceuticals. MORAPI & Co. Ltd., Attn: Albert Paulus (importer, distributor, agent), 11, Ibikunle Akintoye St., P.O. Box 289, Apapa, Lagos. WTD in preparation.

287 Agricultural chemicals

28710—AFGHANISTAN—Urea fertilizer, diammonium-phosphate fertilizer. Impex Traders (Mr. Shiv Nandan) (distributor, agent, retailer), Box 466, Kabul. WTD in preparation.

291 Petroleum refining

● **29100—KOREA**—Lubricating oils and greases, 306,000 Ltr. Net of oils and 10,000 Kg. Net greases. Bid P.R. No.: 69-C-167, INV. No.: KFX-9240-N. Bid deadline, 2:00 p.m., Nov. 14 (Korean Standard Time). Office of Supply, Government of the Republic of Korea, Seoul. Petroleum and Coal Division, BDSA-

673, U.S. Department of Commerce, Washington, D.C. 20230.★ (202-967-2355).

307 Plastic products

30792 — PAKISTAN — Plastic decorations. Requests catalogs, quotations C. & F., Karachi. Mahboob Bakhsh (importer), 10 Saleh Mohammed St., Opp. Gordhandas Market, Karachi-2. WTD 9/69.

30793 — PAKISTAN — Plastic laminated sheets. Requests catalogs, quotations, C. & F., Karachi. Mahboob Bakhsh (importer), 10 Saleh Mohammed St., Opp. Gordhandas Market, Karachi. WTD 9/69.

331 Steel mill products

33167—HONG KONG—Stainless steel sheets: 304-2B or 304 Polish, 13 SWG, 16 SWG, 18 SWG and 1 mm., 3'-0" x 6'-0", and up; 316-2B or 316 Polish, 13 SWG, 16 SWG, 18 SWG and 1 mm., 3'-0" x 6'-0", and up. Hong Kong Supplies, Ltd. (importer, distributor, agent, retailer, exporter), G.P.O. Box 14879. Cable: OBTRADE. WTD 9/68.

335 Rolling, drawing and extruding nonferrous metal

● **33500—THAILAND**—Aluminum conductor, weatherproof, No. 2/0, 7 Strand, 500,000 meters with 3/64 inch cover thickness—100,000 meters with 4/64 inch cover. Tender No. MEA-PSD-174; bid deadline Nov. 28. Purchase and Stores Department, Metropolitan Electricity Department, 121 Chakraphet Road, Bangkok 2 (202-967-4579).

344 Water distillation equipment

● **34400—MALTA**—Supply and erect 2 each M.S.F. sea water distillers of 3 M.G.D. (millions of imperial gallons per day) rating for installation in Malta "B" power station. Bid deadline Dec. 4. Specifications available from the Secretary, Malta Electricity Board, National Road, Blata l-Bajda, P.O. Box 6, Hamrun, Malta for approximately $36.15 (U.S.).

354 Metalworking machinery

35418—NETHERLANDS—Pipe threading, cleaning, cutting and other special pipe working tools and equipment for plumbing, central heating sectors; all kinds of tools for metalworking industry. Firma A. J. Steenkist, Attn: A. J. Steenkist, Jr., Mgr. (importer, distributor, exporter), 14 Speelheuvelweg, Eindhoven. WTD 9/69.

355 Special industry machinery

35521—THAILAND—Machinery for making plastic lace. Requests catalogs, brochures, c.i.f. Bangkok prices. Bhagwant Textiles R.O.P. (importer, distributor), 701/3 Soi Sampheng, Bangkok. WTD 9/69.

35531 — MALAYSIA — Sawmill machinery with following specifications: logs to be sawn: mainly medium hardwood with maximum size of log 60" diameter x 24' 0"; capable of producing 80 tons lumber per 8 hours (48,000 board feet), 50 tons lumber per 8 hours (30,000 board feet). Sharikat Mahawangsa (agent), Kwong Yik Bank Bldg., 9th Floor Jalan Bandar, P.O. Box 1055, Kuala Lumpur. WTD 11/68.

35593—GERMANY—All types of machinery, equipment for plastics processing industry. Overbeck & Co. (importer, agent, exporter), Breitenweg 33, P.O. Box 896, 28 Bremen 1. WTD 9/69.

35595—JAPAN—Various pre-cast concrete products machinery, equipment for use in civil engineering projects. Sakurai Kenzai Sangyo K.K. (importer, distributor, manufacturer), 9-5 Miyuki-cho, Shizuoka. WTD 7/69.

357 Office, computing, accounting machines

● **35700—KOREA**—Supply of two truck scales, weighing capacity 40 M/T, two section flat bed type loading platform, about 3,000 mm x 8,000 mm, AC 100 V, 60 c/s. Tender No. KFX-9244-S; bid deadline Nov. 19. Requested by the Office of Supply, Government of the Republic of Korea, Seoul, Korea. Terms and specifications available on loan basis from the Scientific and Business Equipment Division, BDSA-653, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-2939). A review copy will also be available at the Department of Commerce Field Office, 11444 Federal Bldg., 450 Golden Gate Ave., San Francisco, Calif. 94102 ★(415-556-5868).

35791—BRAZIL—Educational equipment for technical, industrial teaching of electronics, electrotechnics, mechanics. Electronic do Brasil Ltda. (retailer), Rua do Rosario, 159 1° andar Rio de Janeiro ZC-00 GB. WTD in preparation.

364 Electric lighting, wiring equipment

36426—SWEDEN—Lighting equipment and lighting sentries for mines, mining industries. Nordland Import Export AB (importer, distributor, manufacturer), 7 Lovstagatan, S-701 04 Orebro 1. WTD 9/68.

366 Communications equipment

● **36600—KOREA**—Supply of video tape. Tender No. KFX-9236-N; bid deadline Nov. 4. Office of Supply, Government of the Republic of Korea, Seoul. Conditions and specifications may be obtained by writing or calling the Commercial Section, Embassy of Korea, 2320 Massachusetts Ave., NW., Washington, D.C. 20008 (202-483-7383, ext. 51).

371 Motor vehicles, motor vehicle equipment

37110 — SWITZERLAND — Motor homes, completely furnished, packaged parts, accessories; motor busses for merchandise display, products demonstration, packaged parts, accessories. Willy Graf, Wigra-Carrosserie (importer, distributor), Doerflistrasse 24, 8706 Meilen. WTD 9/69.

379 Transportation equipment

37910 — SWITZERLAND — House trailers, mobile dwellings, 11-20 feet in length, packaged parts, accessories. Willy Graf, Wigra Carrosserie (importer, distributor), Doerflistrasse 24, 8706 Meilen. WTD 9/69.

381 Engineering, laboratory, scientific research instruments

38112—TURKEY—General laboratory apparatus such as balances, distillation devices, hardness testing devices for concrete, flame-photometers. Teknik Cihazlar Kontuari (importer, agent), Fuat Pasa Caddesi, Burdur Apt. Kat 2, 60/6, Bakircilar, Beyazit, Istanbul. WTD 3/69.

382 Instruments for measuring, controlling, indicating physical characteristics

● **38200—GREECE**—Supply of two portable polymeters for the measuring of salinity, conductivity and temperature of sea water up to a depth of 400 feet. Bid deadline Nov. 3. Requested by the Hellenic Navy Command, Athens, Greece. Terms and specifications available on loan basis from the Scientific and Business Equipment Division, BDSA-653, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-2939).

● **38200—NEW ZEALAND**—Supply of 3 wet and dry bulb temperature recorders with range 50°-250° F, two pen recorders, stainless steel bulbs, resistance thermometer bulbs preferred. Tender No. FSQ7135; bid deadline Nov. 18. Requested by the Stores Manager, New Zealand Forest Service, Private Bag, Wellington, New Zealand. Terms and specifications available on loan basis from the Scientific and Business Equipment Division, BDSA-653, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-2939). A review copy will also be available at the Department of Commerce Field Office, 11444 Federal Bldg., 450 Golden Gate Ave., San Francisco, Calif. 94102 ★(415-556-5868).

383 Optical instruments, lenses

38311 — TURKEY — Microscopes such as stereo, monocular and binocular, other types. Teknik Cihazlar Kontuari (importer, agent), Fuat Pasa Caddesi, Burdur Apt. Kat 2, 60/6, Bakircilar, Beyazit, Istanbul. WTD 3/69.

384 Surgical, medical, dental instruments

38410—BRAZIL—Apparatuses for electrosurgery, electrodiagnosis, electrotherapy. Sociedade Comercial Pro Medico Ltda. (importer, distributor, retailer), Rua da Alfandega, 107 1° andar sala 12 Caixa Postal 1781, Rio de Janeiro ZC-00 GB. WTD 8/69.

38410 — NIGERIA — Medical instruments, supplies. MORAPI & Co. Ltd., Attn: Albert Paulus (importer, distributor, agent), 11, Ibikunle Akintoye St., P.O. Box 289, Apapa, Lagos. WTD in preparation.

399 Manufacturing industries

39993—REPUBLIC OF SOUTH AFRICA —Gifts, novelties, fancy goods, mainly for "give-away" trade; items which can be given away by business houses, specifically goods which can be engraved, embossed or imprinted as an advertising media. Transvaal Watch (Pty.) Ltd. (importer, distributor, agent), 604 Bradford House, President St. and P.O. Box 697, Johannesburg. WTD 9/69.

Transceivers, parts, manuals sought by Greek Ministry

A supply of UHF transceivers for the Civil Aviation Administration is sought by the Ministry of Commerce, State Purchases, Directorate 4, which has issued tender No. 4/804/69. The bid deadline is Nov. 19.

Bids should offer 12 UHF transceivers, frequency range 225 to 400 Mhz, 100 watts output, A3 emission and complete technical manuals and spare parts. Copies of the tender announcement and specifications are available from the Ministry of Commerce, State Purchases, Directorate 4, 50 Socratons St. Athens, or on a short-term loan basis to firms located in the U.S. from the Communications-Electronics Division, BDSA-643, Room 4209, U.S. Department of Commerce, Washington, D.C. 20230.★ (202-967-4823).

TV system deadline extended

The Auckland Hospital Board, Auckland, New Zealand, has extended the bid deadline for the supply and installation of a closed circuit TV system from Oct. 13 to Nov. 3. (INTERNATIONAL COMMERCE, Oct. 6, p. 39, and *Commerce Business Daily*, Sept. 29, p. 5).

SHAPE issues tender for bids on transceivers

The Purchasing and Contracting Office, SHAPE, Brussels, Belgium, has issued Tender No. 69-10 PS/MEB covering four 10-watt very-high-frequency, frequency modulated solid state transceivers and associated equipment. The bid deadline is Dec. 5.

Copies of specifications and conditions are available on a short-term loan basis to NATO qualified firms located in the U.S. from the Communications-Electronics Division, BDSA-643, Room 4209, U.S. Department of Commerce, Washington, D.C. 20230.★ (202-967-4823).

Only U.S. firms certified by the U.S. Department of Commerce are eligible to bid on NATO projects. Interested U.S. firms may contact the International Liaison & Trade Opportunities Staff, BDSA-541, U.S. Department of Commerce, Washington, D.C. 20230.

Equipment to modernize Iranian ports sought

The Ports and Shipping Organization, Davar Avenue, Tehran, has published preliminary specifications for the procurement of a large amount of equipment to be used in the modernization of Iranian ports.

The purchase will include the following commodities: 34 electric, 2,000 KG capacity lift trucks; 5 diesel lift trucks, 2,000 KG capacity; 14 diesel lift trucks, 5,000 KG capacity; 4 at 7,000 capacity; 22 mobile cranes, 5,000 KG capacity; 3 mobile cranes, 15,000 KG capacity; 60 towing tractors, 5,000 KG capacity; 15 tractors with a towing capacity of 15,000 KG and 15 railway shunting wagons with a capacity of 200,000 KG; 1,175 light duty trailers, 2,750 KG capacity; 98 heavy duty trailers, 10,000 KG capacity; 575, two-wheeled hand trucks; and 200 sections of gravity conveyors, 3 meters long.

Preliminary specifications are available on a short term loan basis from the General Industrial Equipment Division, BDSA-647, U.S. Dept. of Commerce, Washington, D.C. 20230;★ (202-967-5585), or information on terms and conditions and other requirements on bidding is available from the Ports and Shipping Organization at the above address.

Sales Representation

The firms listed below are interested in representing U.S. firms in the areas indicated. Exclusive distributorship for these commodities is wanted only if specified.

193 Tanks, components

19310—VENEZUELA—Spare parts for tanks and tactical vehicles M-38; M-50; M-170; M-54; M-139; M-37; M-52; M-35; OM-6.600; M-543. Correspondence requested in Spanish. Juan Lopez y Cia., "Comercial Zorka" (agent), Edificio Avila, 6° piso, Oficina No. 66, Esquina Sociedad, Avenida Universidad, Caracas. WTD 9/69.

199 Ordnance, accessories

19990 — VENEZUELA — Signaling pistols. Correspondence requested in Spanish. Juan Lopez y Cia., "Comercial Zorka" (agent), Edi-

U.S. DEPARTMENT OF COMMERCE—FIELD OFFICES

Information and advice is available from these offices on: foreign markets for U.S. products and services, economic facts on foreign countries, firms with marketing facilities in foreign countries, trade and investment opportunities abroad, Government financing aid to exporters, foreign exchange regulations and procedures, export and import statistics.

ALBUQUERQUE, N. MEX., 87101, U.S. Courthouse. Area Code 505 Tel. 843-2386.

ANCHORAGE, ALASKA, 99501, 306 Loussac-Sogn Bldg. Area Code 907 Tel. 272-6531.

ATLANTA, GA., 30303, 4th Floor Home Savings Bldg., 75 Forsyth St. N.W. Area Code 404 Tel. 526-6000.

BALTIMORE, MD., 21202, 305 U.S. Customhouse, Gay and Lombard Sts. Area Code 301 Tel. 962-3560.

BIRMINGHAM, ALA., 35205, Suite 200-201, 908 S. 20th St. Area Code 205 Tel. 325-3327.

BOSTON, MASS., 02203, Room 510, John Fitzgerald Kennedy Federal Bldg. Area Code 617 Tel. 223-2312.

BUFFALO, N.Y., 14203, 504 Federal Bldg., 117 Ellicott St. Area Code 716 Tel. 842-3208.

CHARLESTON, S.C., 29403, Federal Bldg., Suite 631, 334 Meeting St. Area Code 803 Tel. 577-4171.

CHARLESTON, W. VA., 25301, 3000 New Federal Office Bldg., 500 Quarrier St. Area Code 304 Tel. 343-6181 Ext. 375 and 376.

CHEYENNE, WYO., 82001, 6022 Federal Bldg., 2120 Capitol Ave. Area Code 307 Tel. 634-5920.

CHICAGO, ILL., 60604, 1486 New Federal Bldg., 219 South Dearborn St. Area Code 312 Tel. 353-4400.

CINCINNATI, OHIO, 45202, 8028 Federal Office Bldg., 550 Main St. Area Code 513 Tel. 684-2944.

CLEVELAND, OHIO, 44114, Room 600, 666 Euclid Ave. Area Code 216 Tel. 522-4750.

DALLAS, TEX., 75202, Room 1200, 1114 Commerce St. Area Code 214 Tel. 749-3287.

DENVER, COLO., 80202, 16419 Federal Bldg., 20th and Stout Sts. Area Code 303 Tel. 297-3246.

DES MOINES, IOWA, 50309, 609 Federal Bldg., 210 Walnut St. Area Code 515 Tel. 284-4222.

DETROIT, MICH., 48226, 445 Federal Bldg. Area Code 313 Tel. 226-6088.

GREENSBORO, N.C., 27402, 258 Federal Bldg., W. Market St. P.O. Box 1950. Area Code 919 Tel. 275-9111.

HARTFORD, CONN., 06103, Room 610-B, Federal Office Bldg., 450 Main St. Area Code 203 Tel. 244-3530.

HONOLULU, HAWAII, 96813, 286 Alexander Young Bldg., 1015 Bishop St. Area Code 808 Tel. 546-5977.

HOUSTON, TEX., 77002, 5102 Federal Bldg., 515 Rusk Ave. Area Code 713 Tel. 226-4231.

JACKSONVILLE, FLA., 32202, P.O. Box 35087, 400 W. Bay St. Area Code 904 Tel. 791-2796.

KANSAS CITY, MO., 64106, Room 2011, 11 Walnut St. Area Code 816 Tel. 374-3141.

LOS ANGELES, CALIF., 90015, Room 450, Western Pacific Bldg., 1031 S. Broadway. Area Code 213 Tel. 688-2833.

MEMPHIS, TENN., 38103, 710 Home Federal Bldg., 147 Jefferson Ave. Area Code 901 Tel. 534-3214.

MIAMI, FLA., 33130, Rm. 821, City National Bank Bldg., 25 W. Flagler St. Area Code 305 Tel. 350-5267.

MILWAUKEE, WIS., 53203, Straus Bldg., 238 W. Wisconsin Ave. Area Code 414 Tel. 272-8600.

MINNEAPOLIS, MINN., 55401, 306 Federal Bldg., 110 S. Fourth St. Area Code 612 Tel. 725-2133.

NEW ORLEANS, LA., 70130, 909 Federal Office Bldg., S., 610 South St. Area Code 504 Tel. 527-6546.

NEW YORK, N.Y., 10007, 41st Floor, Federal Office Bldg., 26 Federal Plaza, Foley Sq. Area Code 212 Tel. 264-0634.

PHILADELPHIA, PA., 19107, Jefferson Bldg., 1015 Chestnut St. Area Code 215 Tel. 597-2850.

PHOENIX, ARIZ., 85025, 5413 New Federal Bldg., 230 N. First Ave. Area Code 602 Tel. 261-3285.

PITTSBURGH, PA., 15222, 2201 Federal Bldg., 1000 Liberty Ave. Area Code 412 Tel. 644-2850.

PORTLAND, ORE., 97204, 217 Old U.S. Courthouse, 520 S.W. Morrison St. Area Code 503 Tel. 226-3361.

RENO, NEV., 89502, 2028 Federal Bldg., 300 Booth St. Area Code 702 Tel. 784-5203.

RICHMOND, VA., 23240, 2105 Federal Bldg., 400 N. 8th St. Area Code 703 Tel. 649-3611.

ST. LOUIS, MO., 63103, 2511 Federal Bldg., 1520 Market St. Area Code 314 Tel. 622-4243.

SALT LAKE CITY, UTAH, 84111, 3235 Federal Bldg., 125 S. State St. Area Code 801 Tel. 524-5116.

SAN FRANCISCO, CALIF., 94102, Federal Bldg., Box 36013, 450 Golden Gate Ave. Area Code 415 Tel. 556-5864.

SAN JUAN, P.R., 00902, Room 100, Post Office Bldg. Phone 723-4640.

SAVANNAH, GA., 31402, 235 U.S. Courthouse and Post Office Bldg., 125-29 Bull St. Area Code 912 Tel. 232-4321.

SEATTLE, WASH., 98104, 8021 Federal Office Bldg., 909 First Ave. Area Code 206 Tel. 583-5615.

ficio Avila, 6° piso, Oficina No. 66, Esquina Sociedad, Avenida Universidad, Caracas. WTD 9/69.

221 Broad woven fabric mills, cotton

22116—BELGIUM—Corduroy fabrics, cotton. Francois Pick (importer, distributor, agent), 106 Avenue Louise, Brussels 5. WTD 8/69.

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222 Broad woven fabric mills, manmade fiber, silk

22210—REPUBLIC OF SOUTH AFRICA—Textiles for men's and ladies' wear, for cutters and wholesalers: cottons, polyesters, nylons, blends; printed fabrics for ladies' dresses, men's shirts, underwear; suitings for men's, ladies' slacks; toweling, both printed and with woven stripes. E. Rizzolio & Co. (1964) (Pty.) Ltd. (agent), 61 Manchester House, Von Weilligh St. and P.O. Box 4655, Johannesburg. WTD in preparation.

227 Floor covering mills, products

22710—SWEDEN—Wall-to-wall soft floorcoverings. Morling & Son, AB Ivan (importer, agent), 2 Smalandsgatan, S-114 34 Stockholm. WTD 9/69.

22720—SWEDEN—Bathroom mats, toilet seat covers tufted with latex back. Morling & Son, AB Ivan (importer, agent), 2 Smalandsgatan, S-114 34 Stockholm. WTD 9/69.

238 Miscellaneous apparel, accessories

23850—VENEZUELA—Raincapes, raincoats for army. Correspondence requested in Spanish. Juan Lopez y Cia., "Comercial Zorka" (agent), Edificio Avila, 6° piso, Oficina No. 66, Esquina Sociedad, Avenida Universidad, Caracas. WTD 9/69.

264 Converted paper, paperboard products

26491—SWITZERLAND—Fine stationery items. Sigrist & Schaub (importer, distributor), Rue des Fosses 10, 1110 Morges. WTD 10/69.

283 Drugs

28341—THAILAND—Pharmaceutical preparations, new formulas, not yet represented in Thailand. V. P. Pharmacy R.O.P. (importer, distributor, manufacturer), 145-149 Chakrawad Rd., Siyak Wat Tuk, Bangkok. WTD in preparation.

289 Chemical products

28930 — AUSTRIA — Printing inks, other chemicals for printing industry. Correspondence requested in German. Franz Aigner, Inhaber Ing. H. Nagelholz (agent, manufacturer), Oedenburgerstrasse 12, A-1210 Vienna. WTD 10/69.

306 Fabricated rubber products

30695—VENEZUELA—Life rafts. Correspondence requested in Spanish. Juan Lopez y Cia., "Comercial Zorka" (agent), Edificio Avila, 6° piso, Oficina No. 66, Esquina Sociedad, Avenida Universidad, Caracas. WTD 9/69.

307 Plastic products

30790 — SWITZERLAND — Decorations, gadgets, novelties, gift items. Josef Spoerri (importer, distributor), Gartenstrasse 592, 5417 Untersiggenthal. WTD 3/69.

30797 — SWITZERLAND — Disposable dishes, plates, cups, spoons, knives, other dinnerware made from plastic. Hostell GmbH, Attn: Mr. Stoll (distributor, agent), Wasgenring 62, 4000 Basel. WTD in preparation.

342 Cutlery, hand tools, general hardware

34230 — SWITZERLAND — Cutlery, hand tools, general hardware; new hardware items, such as calking guns, can openers, garden hand tools, mechanics' hand tools, similar novelties. Josef Spoerri (importer, distributor), Gartenstrasse 592, 5417 Untersiggenthal. WTD 3/69.

34294—FINLAND—Builders' hardware. Exclusive agency. Oy Autolux Ab (importer, distributor, agent), P.O. Box 10190, Helsinki 10. WTD 10/69.

353 Construction, mining, materials handling machinery, equipment

35314—NETHERLANDS—Mechanical handling, hydraulic earthmoving machinery, equipment; exclusive representation for Benelux area. H. Englebert N.V., Attn: H. P. V Englebert, Mgr. (importer, distributor), 2-3 Dobbeweg, or P.O. Box 20, Voorschoten. WTD 8/69.

35319—NETHERLANDS—Excavating, hydraulic earthmoving machinery, equipment. Exclusive representation for Benelux area. H. Englebert N.V., Attn: H. P. V. Englebert, Mgr. (importer, distributor), 2-3 Dobbeweg, or P.O. Box 20, Voorschoten. WTD 8/69.

35319 — TURKEY — Road building equipment, i.e. bulldozers, excavators. Teknik Cihazlar Kontuari (agent), Fuat Pasa Caddesi, Burdur Apt. Kat 2, 60/6, Bakircilar, Beyazit, Istanbul. WTD 3/69.

35334—TURKEY—Drilling rigs for exploration of water or petroleum in depths of 500-1000 meters. Teknik Cihazlar Kontuari (agent), Fuat Pasa Caddesi, Burdur Apt. Kat 2, 60/6, Bakircilar, Beyazit, Istanbul. WTD 3/69.

354 Metalworking machinery

35440 — SWITZERLAND — Metal cutting lathes, lathe attachments, cutting tools. Josef Spoerri (importer, distributor), Gartenstrasse 592, 5417 Untersiggenthal. WTD 3/69.

35482—FINLAND—Portable electric hand tools; 220 V/50c. Exclusive agency. Oy Autolux Ab (importer, distributor, agent), P.O. Box 10190, Helsinki 10. WTD 10/69.

355 Special industry machinery

35510 — SWITZERLAND — Food products machinery, confectionery machinery, dehydrating equipment, ice cream manufacturing machinery. Josef Spoerri (importer, distributor), Gartenstrasse 592, 5417 Untersiggenthal. WTD 3/69.

35552—BRAZIL—Book and magazine binding machinery; paper cutting machines. DUAGRAF Importadora de Material Grafico Ltda. (importer, distributor, agent), Rua Sao Januario, 350 B ZC-08 Rio de Janeiro GB. WTD 7/69.

357 Office, computing, accounting machines

35791—SWITZERLAND—Small office appliances. Sigrist & Schaub (importer, distributor), Rue des Fosses 10, 1110 Morges. WTD 10/69.

363 Household appliances

36311 — FINLAND — Electric household ranges, ovens; 220 V/50c. Exclusive agency. Oy Autolux Ab (importer, distributor, agent), P.O. Box 10190, Helsinki 10. WTD 10/69.

36312—FINLAND—Outdoor grills. Exclusive agency. Oy Autolux Ab (importer, distributor, agent), P.O. Box 10190, Helsinki 10. WTD 10/69.

36342—FINLAND—Electric razors and dry shavers; 220 V/50c. Exclusive agency. Oy Autolux Ab (importer, distributor, agent), P.O. Box 10190, Helsinki 10. WTD 10/69.

36391—FINLAND—Water heaters, electric; 220 V/50c. Exclusive agency. Oy Autolux Ab (importer, distributor, agent), P.O. Box 10190, Helsinki 10. WTD 10/69.

364 Electrical lighting, wiring equipment

36430—SWITZERLAND—Miniature time switches for all applications. Walter Ohr AG (importer, distributor, agent), Neuackerstrasse 57, 8125 Zollikerberg. WTD 9/69.

367 Electronic components, accessories

36740 — SWITZERLAND — Semiconductor items, diodes, solid state and rectifiers. Sacel S.A. (distributor, agent), 11, Rue Manoir, 1207 Geneva. WTD 9/69.

36792—SWITZERLAND—Small capacitors and condensors for electronic application. Sacel S.A. (distributor, agent), 11, Rue Manoir, 1207 Geneva. WTD 9/69.

36793—SWITZERLAND—Resistors, similar items for electronic application. Sacel S.A. (distributor, agent), 11, Rue Manoir, 1207 Geneva. WTD 9/69.

36795—SWITZERLAND—Relays for electronic application. Sacel S.A. (distributor, agent), 11, Rue Manoir, 1207 Geneva. WTD 9/69.

371 Motor vehicles, motor vehicle equipment

37141 — SWEDEN — Transmissions, truck type. Lindstrom, Ingenjorsfirma Karl Evert (importer, distributor, engineering firm), 10 Bordsvagen, S-122 46 Enskede. WTD 9/69.

372 Aircraft, parts

37291—VENEZUELA—Aircraft parts (military airplanes F-86K, T-24, C-123, B-25, T-11). Correspondence requested in Spanish. Juan Lopez y Cia., "comercial Zorka" (agent), Edificio Avila, 6° piso, Oficina No. 66, Esquina Sociedad, Avenida Universidad, Caracas. WTD 9/69.

399 Manufacturing industries

39999—SWITZERLAND—Numismatic specialties, especially new items such as "Penny-in-Bottle". Theodor Isler (importer, distributor), Edisonstrasse 50, 8050 Zurich. WTD in preparation.

Radar decoding system sought by Greece

The Ministry of Commerce, State Purchases Directorate 4, has issued Tender No. 4/777/69, for the supply of a radar (SSR decoding system) for the Civil Aviation Service. The bid deadline is Nov. 5.

Copies of the tender announcement and specifications are available from the Ministry of Commerce, State Purchases Directorate 4, 50 Socratous St., Athens. They are also available on a short-term loan basis to companies located in the U.S. from the Communications-Electronics Division, BDSA-643, Room 4209, U.S. Department of Commerce, Washington, D.C. 20230. ★(202-967-4823).

Turkey to purchase drilling rigs, logging sets, trenchers and diesels

The Turkish State Hydraulic Works (DSI—Devlet Su Isleri Genel Mudurlugu, Idari ve Mali Isler Dairesi Baskanligi), Anafartalar Ishani Kat 10, Ulus, Ankara, is seeking the following:

(A) Eight well drilling rigs—six-by-six truck-mounted rotary, bores 1500 ft. with 2¾ inch drill pipe; unturbocharged diesel two or four stroke, min. six cylinder, min. 190 BHP hydraulic or mechanical min. three speed gear rotary table. File Ref. No. 69-1829-1. Specifications are available from the Modern Translation Co., Karanfil Sokak 49/1, Ankara, for $8.50;

(B) 127 rock bits, 72J drill bits, 2400 drive pipes, 120 screw drive heads, 120 drive shoes, 30 drive collars, 361 drill pipes, and 20 rotary kellies. File Reference No. 69-1460-1. Specifications from the Modern Translation Co., for $5.50. The deadline for both A and B is Nov. 17.

(C) two trenchers—unturbocharged diesel engine, two or four cycle, min. four cylinder min. 60 BHP, capacity 60 cm wide x 180 cm deep trenchers with earth removal discharge elevator. File Reference No. 69-1802-12 is available from the Modern Translation Co. for $6. Also 35 motor drills and breakers, gasoline motor, magneto ignition, air cooled, drill chuck ⅞ inch x 4¼ inch. Drilling capacity up to 4M. File Reference No. 69-1802-11. Specifications are available for $5 from the Modern Translation Co.

(D) five borehole logging sets, portable, manually controlled, 1500 M. single conductor, 0.100 inch diameter cable, max. 12 v DC powered Reference File No. 69-1809-1. Specifications are available for $6 from the Modern Translation Co. The bid deadline for C and D is Nov. 18.

SHAPE submits tenders for diesel generators

SHAPE submits tenders for the supply of 17 each 20 KVA, trailer mounted diesel generators, operational training and maintenance training (4 days each) at the users residence and spare parts and tools. Bid No. 69-15 PS/MEB. The bid deadline is Nov. 20. Supreme Hdq., Allied Powers Europe, Purchasing and Contracting Office, AEC Communications Electronics Equipment, Communications and Electronics Division, SHAPE, B-7010, Belgium.

Specifications available from the Power & Electrical Equipment Division, BDSA, Room 4124, Department of Commerce, Washington, D.C. 20230.★ (202-967-4242). A review copy will also be available at the Department of Commerce Field Office, 11444 Federal Bldg., 450 Golden Gate Ave., San Francisco, Calif. 94102.★ (415-556-5868).

Only U.S. firms certified by the U.S. Department of Commerce are eligible to bid on NATO projects. Interested U.S. firms may contact the International Liaison & Trade Opportunities Staff, BDSA-541, U.S. Department of Commerce, Washington, D.C. 20230.

Peruvian bank desires catalogs of building equipment, materials

The Peruvian State Housing Bank, in connection with a United Nations project for the design of low-cost housing for a 1,500 unit project in Peru, is seeking catalogs from U.S. manufacturers of equipment and materials which could be used in the construction of these units.

Especially desired are catalogs of building materials, components and methods, and portable and heavy tools. Such publications should be sent to Peter Land, Director, Proyecto Experimental de Vivienda, Banco de Vivienda, Camana 488, Lima, Peru.

Future Construction

For maximum assistance to those interested in overseas construction projects, U.S. Foreign Service officers report them as soon as possible, often in early planning stages. Some may not reach completion as originally proposed. In such cases additional information is published as it is obtained.

AUSTRIA—Upon approval by the Vienna Municipal Council (scheduled for October 24, 1969) the contract for **the technical and administrative management of the Vienna subway** (see INTERNATIONAL COMMERCE Apr. 28) was to have been awarded to the following firms: Mayreder, Kraus & Company; "Universale"; and Wibeba. The contract to be awarded amounts to 650 million schillings (26 schillings = U.S.$1.00), with total cost of the first construction segment estimated at 1,054 million schillings. The difference will be spent on signaling equipment, tracks, wall linings, ceilings, floors, etc. Bids for the respective equipment and services will be invited separately at some time not yet specified.

BRAZIL—Preliminary studies are being made for the construction of a **two-lane, 1,472-meter long reinforced concrete bridge** (estimated at U.S. $3 million) to cross the Furo das Marinhas from Belem to Mosqueiro Island, a northern Brazil resort.

The studies are being carried out by the engineering firm, Antonio Alves de Noronha Ltda., Rio de Janeiro, which undertook similar studies on the Rio-Niteroi Bridge currently under construction. The engineering firm's proposals were to be submitted by Oct. 20, and bids to be requested thereafter.

The person responsible for the execution of this project is Dr. Rodolfo Chermont, President of Mosqueiro Empreendimentos e Turismo S.A. (META), Avenida Conselheiro Furtado 577, Belem, Para, Brazil.

JAPAN—The Hakodate Dockyard, a Japanese corporation, is planning to **construct a dock to accommodate 200,000-ton vessels on 50,000 square meters of land recovered from the sea** at the southern Hokkaido city of Hakodate.

The Hakodate Dockyard built ships of the 75,000-ton class in 1967 and 1968, and now has orders for a total of 420,000 tons of vessels in the 30,000-ton class. The planned 200,000-ton dock will be 325 meters long, 56 meters wide, and 10.5 meters high. Construction costs are estimated at three billion yen (360 yen = U.S.$1.00). The company plans to start construction of the new dock next year and to complete the work within two years.

MEXICO—A 53-kilometer, 4-line subway system for the city of Guadalajara was projected in a $25,000 study by a group of Japanese technicians. Constructed over a 10-year period, it would cost over $350,000,000. Reportedly the plan has been discussed by the Governor of Jalisco and the Japanese Ambassador to Mexico.

Guadalajara will need a subway if the population growth projections which point to a city of five million by the year 2000, prove to be accurate. It is considered likely that foreign loans to finance the subway would be of the type used to finance the Mexico City Metro which was tied to purchases of equipment in the country from which the loan was obtained.

New Books and Reports

INTERNATIONAL MARKETING INFORMATION SERVICE

Latest IMIS reports are:

Country Market Digests (*best sales prospects in*): Dominican Republic, IMIS—69-23; Mexico, IMIS—69-22; Zambia, IMIS—69-24. 10 cents each.

IMIS reports are available from Commerce Field Offices or from Sales & Distribution Branch, Room 2119, Department of Commerce, Washington, D.C. 20230.

***International Economic Survey: Taiwan.* Published by Chemical Bank, New York. June 1969. 24pp. Free.**

A balanced overview of business conditions and prospects for trade and development emerges from this brief but thorough treatment of Taiwan's economy. Covering topics from credit policies and investment incentives to the composition of Taiwan's import-export trade, the pamphlet underlines the stable conditions contributing to a favorable climate for investment and highlights the expansion of the industrial sector. Included is a review of developments in food processing, textiles, fertilizers, petrochemicals, electronics, and other major industries and their potential for future growth.

Write: Chemical Bank, International Division, 20 Pine Street, New York, N.Y. 10015.

***Overseas Business Reports.* U.S. Department of Commerce. Washington, D.C. 1969. $16 per year ($5 additional for overseas mailing), 15 cents per copy.**

U.S. Foreign Trade by Quarters: January-March 1967 to January-March 1969. OBR 69-43. 27pp. This report continues the series of quarterly data on U.S. foreign trade. Included in the report are data on exports, imports, economic classes, agricultural and nonagricultural products, manufactured goods, A.I.D. and PL 480 shipments, SITC, end-use classification, and special category shipments.

Foreign Trade Regulations of Israel. OBR 69-44. 7pp. Among topics discussed in this report are the country's trade policy, import tariff system, special customs provisions, shipping documents, marking and labeling requirements, nontariff import controls, government representation, Israel and U.S. controls.

Foreign Trade Regulations of Turkey. OBR 69-45. 7pp. Information in this report covers trade policy, the import tariff system, special customs provisions, internal taxes, shipping documents, marking and labeling requirements, nontariff import controls, Turkey and U.S. controls, and government representation.

Selling in Belgium. OBR 69-47. 19pp. Included in this study are data on import channels, import requirements, distribution practices, transportation, ports, storage, commercial practices, marketing aids, government procurement, notes for business travelers and government representatives.

Write: any Department of Commerce Field Office or Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Latest Customs Journals

The following new *International Customs Journals* are available at the standard price of $3 per hard copy, 65¢ for microfiche:

Malaysia	PB 185 700
Spain	PB 185 695
Sweden	PB 185 696
Turkey	PB 185 694
U.S.A.	PB 185 725

Write: Clearinghouse for Federal Scientific & Technical Information, U.S. Department of Commerce, Springfield, Va. 22151 (Attn: Code 410.11).

***International Economic Survey: Brazil.* Published by Chemical Bank, New York. September 1969. 24pp. Free.**

Analysis of Brazil's growth performance during the first six months of 1969. This publication brings the reader up to date on economic developments in Brazil.

Major industrial sectors, public and private finance and Brazil's foreign trade situation are discussed. It presents a banker's view of Brazil today, and generally paints a favorable picture of market opportunities. It provides a very good discussion of private financing and capital expansion.

Write: Chemical Bank, International Division, 20 Pine Street, New York, N.Y. 10015.

American-Hellenic Chamber has new publication ready

The American-Hellenic Chamber of Commerce has published its second Special Issue (1969) of Greek legislation and regulations pertaining to foreign investment in Greece. The publication may be obtained upon request for $2 per copy including air mail postage directly from the Chamber.

The Chamber, in cooperation with the U.S. Embassy, also publishes *Greek-American Trade*, a monthly publication devoted to the further expansion of Greek-American trade relations. This publication is available at an annual fee of $20.

Write: American-Hellenic Chamber of Commerce, 17 Valaoritou Street, Athens, Greece.

***Incentives for Foreign Investors in the United States.* Published by International Reports, Inc., New York. 1969. 74pp. $50.**

This is a study and guide on investment incentives offered by both the Federal and State authorities in the United States, including an evaluation of official policies and recent trends.

Investment incentives offered by the individual states include tax incentives and financial assistance for direct industrial investment as well as special services for industrial development.

Write: International Reports, Inc., 200 Park Avenue South, New York, N.Y. 10003.

***Japan Surges Ahead.* By P. B. Stone. Published by Frederick A. Praeger, Inc., New York. 1969. 206pp. $6.95.**

This book points out that Japan's swift economic emergence has made her a fascinating economic laboratory from which both rich and poor nations can learn lessons. Growth of the automobile, shipbuilding, aircraft, steel, camera, railway and computer industry is outlined as well as the space program, chemicals, government, banking, investment, imports and exports.

It is noted, however, that Japan still suffers from classic economic problems such as shortage of labor, balance of payments, depletion of natural resources and a technology gap. Statistical tables and a bibliography are included.

Write: Frederick A. Praeger, Inc., 111 Fourth Ave., New York, N.Y. 10003.

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Calendar *for international traders*

ATLANTA—Nov. 4—Final of seven consecutive Tuesday Export Workshops, Business Administration Bldg., Georgia State University, 6:30-9 p.m. Sponsors: Commerce Field Office, International Trade Assn. of Atlanta in cooperation with Georgia State University.

BALTIMORE — Nov. 5 — Fifth of six consecutive Wednesday International Marketing Workshops, University of Baltimore, 7-9 p.m. Sponsors: Commerce Field Office, Maryland Port Authority and REEC in cooperation with University of Baltimore.

BOSTON — Nov. 13 — Trade Winds Round Table Seminar, 4 p.m., and Trade Winds Dinner Meeting, 5:30 p.m., International Center of New England, Anthony's Pier 4 Restaurant, 140 Northern Ave.

CHICAGO—Nov. 3—Principles and Techniques of Exporting, 1848 LaSalle Bank Bldg., 6-8 p.m. Sponsor: International Trade Club of Chicago.

CHICAGO—Nov. 4—Automotive Exporter's Club of Chicago, Builders Bldg.

CHICAGO—Nov. 13—International Trade Club of Chicago, luncheon meeting, Pick-Congress Hotel, 12 noon. Special Interest Seminar on Financing of International Trade, 2-4 p.m.

CHICAGO—Nov. 19—Chicago Midwest Credit Management Assn., Bismarck Hotel.

CINCINNATI—Nov. 5—Second Annual Export Trade Workshop, first of seven consecutive Wednesday sessions, University of Cincinnati. Sponsors: Commerce Field Office, REEC, University of Cincinnati.

DES MOINES, IA.—Nov. 4—Export Workshop Luncheon, Hotel Savery, 12 noon. "The Wonderland of Overseas Market Research," Wesley H. Boldt, president, Boldt & Associates, Inc., **Kenneth A. Byrns, international trade specialist, Commerce Des Moines Field Office.** Sponsors: Commerce Field Office, REEC, Chamber of Commerce.

DETROIT—Nov. 4—Export Seminar, 445 Federal Bldg., 9:30 a.m. Sponsor: Commerce Field Office.

DETROIT—Nov. 19-21—51st Annual Meeting of the American Standards Institute, "Dynamics of Standards Application," Statler Hilton Hotel.

HONOLULU—Nov. 19—Export-Import Workshop, 286 Alexander Young Bldg., 10 a.m. Sponsors: Commerce Field Office, SBA.

INDIANAPOLIS—Nov. 4—Fourth of ten consecutive Tuesday International Trade Seminars, Purdue University, 8-10 p.m. Sponsors: Commerce Field Office, Indiana Chamber of Commerce, World Trade Club of Indiana, Purdue University, Indiana University.

KANSAS CITY—Nov. 11—Seminar for Exporters, Top of the Tower, 911 Main, 6 p.m. Sponsors: Commerce Field Office, REEC, International Club of Greater Kansas City.

LOUISVILLE—Nov. 4—Kentuckiana World Commerce Council Monthly Meeting, Holiday Inn Central, 6 p.m. Speaker: **Dr. Felix Turel, international trade specialist, Commerce Cincinnati Field Office,** "Eye-Witness Story—International Trade Shows."

MEMPHIS—Nov. 6—Export Workshop, Union Planters National Bank. Sponsors: Commerce Field Office, REEC.

MIAMI—Nov. 4—Export Control Workshop, 821 City National Bank Bldg., 9 a.m. Sponsors: Commerce Field Office, REEC.

MILWAUKEE—Nov. 6—Milwaukee World Trade Club Monthly Meeting, Holiday Inn—Midtown. Speaker: **R. H. Rowntree, executive vice president, Export-Import Bank,** "New Program of Assistance to Exporters from the Export-Import Bank."

MINNEAPOLIS — Nov. 6. — Eighth Annual Export Trade Workshop, fourth of six consecutive Thursday sessions, Federal Courts Bldg., Rm. B-29, 7-9 p.m. Sponsors: Minnesota World Trade Assn., with the cooperation of the Commerce Field Office.

NEW YORK—Nov. 3—FCIB Round Table Conference on Foreign Finance, Credit, Collection and Exchange Problems, Advertising Club, 1:30 p.m. Chairman: Henry C. Weisbecker, vice president, American Bank & Trust Co., New York.

PHOENIX—Nov. 20—Export Workshop, 5413 Federal Bldg., 10 a.m.-12 noon. Sponsors: Commerce Field Office, REEC.

PROVIDENCE — Nov. 4 — Export Workshop on Simplification of Shipper's Export Declaration Requirements, Greater Providence Chamber of Commerce, 10 Dorrance St., 3-5 p.m. Sponsors: Commerce Field Office, Chamber of Commerce.

ST. LOUIS—Nov. 4—"Show You" Export Workshop, Conference Room, Federal Bldg., 2 p.m. Sponsors: Commerce Field Office, REEC.

ST. LOUIS—Nov. 18—"Show You" Export Workshop on Documentation, Conference Room, Federal Bldg., 2 p.m. Sponsors: Commerce Field Office, World Trade Club, Chamber of Commerce.

SEATTLE—Nov. 3—"Marketing and Forwarding for Exporters," 8021 Federal Office Bldg., 10 a.m.-12 noon. Sponsor: Commerce Field Office.

SPRINGFIELD, MO.—Nov. 4—Export Market Development Workshop, Chamber of Commerce, 9-11 a.m. Sponsors: Commerce Field Office, REEC.

SPRINGFIELD, MO.—Nov. 4—Export Documentation Workshop, Chamber of Commerce, 2-4:30 p.m. Sponsors: Commerce Field Office, REEC.

SPRINGFIELD, MO.—Nov. 4—The Carrier's Role in Developing Exports, Lampliter Inn, 7 p.m. Sponsors: Commerce Field Office, REEC, Traffic Club.

WAKEFIELD, MASS. — Nov. 6 — Management Conference on the Advantages of Export, Colonial Country Club, 9 a.m. Sponsors: Commerce Field Office, SBA, Trans World Airlines, National Shawmut Bank.

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- ☐ AFRICA, A Growth Market for U.S. Business. 96 pp. 75c. 1968.
- ☐ CENTRAL AMERICA, Trade & Invest. 96 pp. 60c. 1965.
- ☐ CHILE, A Market for U.S. Products. 126 pp. $1. 1966.
- ☐ EAST AFRICA, A Market for U.S. Products in Kenya, Uganda, Tanzania. 78 pp. 65c. 1966.
- ☐ IRAN, A Market for U.S. Products. 50 pp. 50c. 1966.
- ☐ IVORY COAST, A Market for U.S. Products. 87 pp. 65c. 1966.
- ☐ LIBYA, A Market for U.S. Products. 65 pp. 50c. 1962.
- ☐ MEXICO, A Market for U.S. Products. 65 pp. 50c. 1966.
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- ☐ PHILIPPINES, A Market for U.S. Products. 76 pp. 55c. 1965.
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